

CRANFIELD UNIVERSITY

A WOOD

The relationship of personal values to management behaviours and performance in the tenanted pub estate of a UK Regional Brewer.

SCHOOL OF MANAGEMENT

DBA THESIS

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The relationship of personal values to management behaviours and performance in the tenanted pub estate of a UK Regional Brewer.

Supervisor: Professor Moira Clark

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This thesis is submitted in partial fulfilment of the requirements for the degree of Doctor of Business Administration.

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## **ABSTRACT**

The aim of this research was to explore the role of personal values and their relationship to the management behaviour and performance outcomes of multiple small, UK licensed on-trade, businesses. Few studies of this nature exist that explore personal values and relate them to management behaviour in this way, in this specific context.

Project I develops its contribution through the identification of seven core personal values, the inconsistency of language and meaning around these values and highlights five owner/manager types based upon the ways in which values are interpreted and operationalised. A series of typologies and role ordered matrix is developed to assist practical application. Project II identifies two 'most valuable' categories and deepens the understanding of their intrinsic motivators and the values they deploy. Personal values combined with risk, momentum and tangible outputs are found to underpin entrepreneurial and enterprising behaviours to varying degrees. Both projects used semi-structured interviews (n = 33) and textual analysis to arrive at their findings.

Having identified five owner/manager groups project III establishes new approaches to working with entrepreneurial and enterprising people and builds a new relationship model and potential to strengthen the psychological contract. Support and momentum for change are developed using an Action Research method, specifically, Appreciative Inquiry (AI). The research has engaged participants in ways not previously undertaken through making extensive use of their preferred communication method. The work supports the notion of instrumental and end-state values in human behaviour and relates these to management behaviours in the small/medium sized business setting. The work challenges the idea of value congruence between organisations' and the individual at anything more than a superficial level and proposes individual meaning and interpretation as critical dimensions in values communication. The work also contests popular and academic definitions of the entrepreneur as a fiercely independent individual who is unlikely to work well and cooperate with others.

The study adopts a critical realist perspective using appropriate and differing methods of research within its overall scope. The marriage of semi-structured interviews with individuals followed by the bringing together of owner/manager groups in an appreciative inquiry environment proved to be a valuable in terms of sharing findings, creating a positive framework for discussion and achieving commitment to change. The research has developed an intervention for bigger businesses that have arms length relationships with multiple small/medium businesses and provides indications as to how the psychological contract within such relationships might be further strengthened.

## **ACKNOWLEDGEMENTS**

Undertaking a doctorate has been a long held personal ambition and I am extremely grateful to my employer, the sponsor of this research for providing me with the opportunity to realise it. Completing this process in addition to the challenges of the day job has required significant personal commitment. This said the rewards have been substantial.

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## **DISSEMINATIONS TO DATE**

### **Conference papers**

"The role of personal values in managing relationships with multiple small businesses" with Moira Clark. British Academy of Management Annual Conference, Warwick September 2007.

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## CHAPTER ONE - LINKING DOCUMENT

### THE BUSINESS ISSUE

The UK on-trade faces many challenges. Pressures on the industry brought about by such things as the smoking ban, introduced in July 2007, continued concerns about public health, disparities between on and off-trade pricing, social change and the willingness of individuals to work as owner/managers in such uncertain circumstances means that owning an estate of tenanted pubs is becoming increasingly difficult. The competitive environment for securing the services of business people, owner/managers', capable of owning, managing and building significant on-trade businesses is becoming and will continue to be challenging for the foreseeable future. The need for the whole of the UK tenanted pub sector to adapt, learn, develop and change whilst attracting, developing and retaining high quality business people drives this research agenda.

The parent organisation in this research is a vertically integrated Regional brewer, pub operator, wine merchant and hotelier operating throughout the South East of England. The business has enjoyed strong growth over the past five years and is now recognised within the industry as a well-developed regional brand with national and international reach. The business attributes part of its recent success to an overtly values driven approach which places relationships and the consideration of key stakeholders, defined as shareholders, staff, customers, suppliers plus other interest groups such as; NGOs and society (Dervitsiotis, 2003; George, 2003; Goodijk, 2003; Donaldson, 2002; Schneider, 2002; Jones, 1995; Donaldson and Preston, 1995) at the centre of the business. The organisation has, as part of its core business, a retail tenanted pub estate comprising 84 sites. Tenanted retail businesses or pub estates have been a feature of the UK brewing industry for many years. The essential features of such businesses are: freehold or leasehold ownership of the property resides with the brewer or more commonly the pub company (Pubco)<sup>1</sup> and the publican becomes a tenant<sup>2</sup> of the freeholder/leaseholder and agrees to pay rent and buy wet goods, defined as beer, wines, spirits and minerals, from the landlord. In return the potential owner/manager has a lower cost of entry into owning their own business, and support from a larger organisation in the form of branding, business services and property upkeep. Different companies may operate minor variations to the model described above and most tenancy arrangements are ultimately 'contracted in' to the landlord and tenant act of 1954 and enshrined in property law. This arrangement exists not as a property right but as an exemption to Article 85 of the Treaty of Rome and reflects the special, commercial or financial advantages (training, insurance, advice, lower

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<sup>1</sup> Typically these business are pub owning companies only and do not operate the vertically integrated model followed by brewers.

<sup>2</sup> Hereafter referred to as owner/managers.

rents) traditionally offered by brewers to tied pubs. The issue for the parent organisation 'Parent Co' is that these independent businesses operate under their brand umbrella but can operate to different local standards and service levels. These differing standards and service levels are related to and informing of consumer perception about the wider parent brand. This is particularly pertinent on two levels: firstly, for any 'Parent Co' that has its own well-recognised brand identity and, secondly, a climate that sees pubs facing increased competition from other leisure activities, adverse media coverage about the behaviour of some pub customers and increased government attention around licensing, drinks promotion, drinks labelling, drinks pricing and smoking. Worst-case industry estimates alone suggest that the smoking ban alone, which was introduced in July 2007, could lead to the closure of 6,000 pubs throughout the UK. In addition, there are a significant but reducing (through consolidation) number of brewer/pub operators who offer traditional tenancy arrangements. Specific tenanted and leased pub operators (Pubcos) and some brewers tend to offer both traditional tenancy agreements and longer lease arrangements. These lease arrangements may enable the owner/manager to build his or her own equity in the individual business. These changes to the marketplace for owner/managers mean that the competitive environment for securing the services of business people capable of owning, managing and building significant on-trade businesses is becoming more challenging. The need for the whole of the UK tenanted pub sector to adapt, learn, develop and change whilst attracting and retaining high-quality, independent business people drives this research agenda.

The original business issue motivating this research was 'Do espoused organisational values have a role in informing stakeholder perceptions about the organisation, and how does this work in practice?' Working from this start point, the objectives of the DBA research evolved to explore the role of values, specifically in regard to the tenanted retail business of The regional brewer in question (84 independent businesses). The following issues evolved:

- What are the current or dominant personal values in existence across the Adnams tenanted retail business?
- How do differing personal values manifest themselves in terms of different management behaviours at a local (pub) level?
- What are the implications for the ongoing management of the tenanted retail business?
- What are the implications for the management of values in the parent organisation?

The ultimate goal for the research is to develop, and then move to, a model that sees understanding, shared values, common beliefs and trust

as the main drivers of business relationships as opposed to legal arrangements enshrined in property law.

## **ORIGINS OF INTEREST - BRIDGING ACADEMIA AND PRACTICE**

Given the nature of doctoral (DBA) research and the kind support of the sponsoring organisation it was deemed important that this study delivered not only to the rigours of academic research but also delivered practicable solutions that can be implemented within the sponsoring organisation within an acceptable timescale. The requirement to simultaneously meet the demands of these two objectives is consistent with the ongoing debate on the role of management research, its relevance and its relationship to business (Huff and Huff, 2001; Starkey and Madan, 2001). This debate centres upon such matters as: the ideas being too abstract, research findings taking too long to come to fruition, general principles being too broad and that the things taken away from much academic research being too obvious. These are serious concerns which the academic community is debating in some depth and which are beyond the scope of this study. However, the whole discussion is relevant to this and all other doctoral research. In this regard the DBA provides a unique opportunity to ensure a congruence of academic and practitioner objectives and that the concerns raised in the relevance and relationship debate are addressed. In the case of this research the researcher is the principal actor in implementing any change arising from the research findings.

Personal interest in this subject area derives from leading an organisation with an overt set of values that it seeks to bring to life through its approach to business. This led to my developing an intellectual curiosity around how such an approach might relate to the overall well being and ongoing success of an organisation.

Discussions with my academic panel and with the university ethics committee soon indicated the inappropriate nature of furthering such a research agenda within my own organisation.

Following some deliberation I decided, again in full consultation with the academic panel and ethics committee, to undertake the research amongst multiple small businesses that have an arms length and legally protected relationship with my own organisation. An enormously rich area emerged with the potential for knowledge to be advanced and business benefits to be derived.

The overall thesis is looking at the role of personal values, the management behaviours of individual owner/managers and the relationship of these phenomena to pub performance. The thesis breaks down into three linked projects all of which represent a development of the overall proposition. Each therefore generates its own momentum and area of interest as the inquiry develops.

## **Project 1**

The performance of a tenanted pub is consequent upon a number of dependent and independent variables such as location, building style, prevailing economic climate, legislative environment, product offer, staffing levels, staff attitudes and staff training. The role of the owner/manager cannot be underestimated because often pubs, which for a number of reasons should be failing because of factors such as poor location and/or poor state of repair, are actually thriving, and the reverse is often true for well-located, well-maintained pubs. This is frequently attributable to the personality and/or professionalism of the individual owner/manager. Developing an understanding of this professionalism in terms of business management and its relationship to the personal values of individual owner/managers provides the principal interest and is the subject of this initial project.

Work on management behaviours and, to a lesser extent, values has been carried out in small businesses before, looking principally at such businesses through the window of leadership (Haugh and McKee L, 2004; Beaver, 2003a; Andrews and Rogelberg, 2001; Kruger and Carsrud, 1993; Shaver and Scott, 1991; Davidsson, 1991; Gartner, 1989; Hills and Narayana, 1989). However, to date there have been few studies exploring these fundamental issues where a 'parent co' has an arm's length or network relationship with its distribution channel. Further the tenanted pub industry is an important area. In the UK, there are some 60,000 pub on-licences employing in excess of 700,000 people. The British pub is claimed to form part of the UK's social fabric and still accounts for a major part of UK leisure expenditure. The pub, however, is under threat as new leisure pursuits provide the consumer with alternatives and as the alcoholic drinks industry becomes subjected to greater scrutiny and is more closely regulated through government initiatives on licensing, smoking, pricing and anti-social behaviour.

The research is set amongst owner/managers within a UK regional brewer in the East of England. The company owns 84 pubs, and segments them broadly into four categories - destination food with accommodation, destination food, wet led with food, wet only. The initial project inquires into the relationship between personal values, management behaviour and pub performance in a sample of 32 pubs on an individual case-by-case and cross-case basis.

## **Project 2**

This project builds upon and develops the work initially conducted in Project 1. The initial project revealed considerable consistency of language amongst owner/managers when describing their own personal values, and considerable inconsistency when these values were operationalised through management behaviour within their respective businesses. A typology highlighting five different types of owner/manager was identified



with two of these groups achieving, in terms of business performance, a relative superiority over the remaining three. Performance in this context being defined in terms of hard, financial and volume measures as established by the 'parent co'. This relatively superior performance related to the way in which these individuals approached their own organisation in the widest sense. The individuals within the two categories identified are the 'most valuable' to the 'parent co' and their retention, motivation and development would therefore be beneficial not only to the parent organisation but also more generally for a licensed trade that must adapt and change in the face of competition and increased government attention.

It is within this context that further research was desirable into the categories of owner/manager who are displaying 'most valuable' characteristics and related behaviours. It was this requirement that provided the interest and stimulation for Project 2.

### **Project 3**

Projects 1 and 2 identified congruence in the use of words and language to describe personal values by owner/managers. This was not, however, found to carry through into management behaviours, and this difference informed the development of a typology categorising individual owner/managers through their management behaviours. Project 2 specifically looked in greater detail at the two 'most valuable' categories (from the perspective of the 'parent co') and identified still further differences in personal values and in related and resultant behaviours. The early projects also identified both positive and negative reactions amongst the sample group relating to the tenancy system. Project 3 builds upon the positive elements of this earlier work and designs appropriate approaches that will contribute to the development of the tenanted pub retail business of the 'parent co' and will ultimately contribute to its remaining relevant to the 21<sup>st</sup> century leisure consumer. The area of developing and managing ongoing relationships with owner/managers who were found to display entrepreneurial and enterprising characteristics provided the interest and inquiry for Project 3.

## **THE RESEARCH QUESTION AND PROJECT STRUCTURE**

This doctoral research study seeks to address issues related to the ownership and management of a tenanted pub retail business from the perspective of a Parent Co wishing to move from a one-dimensional, traditional, landlord/tenant relationship to a series of tailored relationships built upon, understanding, shared values, common beliefs and trust. This is important because, as already discussed, the external environment for pub-owning companies and pub owner/managers themselves is changing owing to consumer, legislative and financial pressures. As is common with most research, there are different ways in which the business issues under investigation could have been approached. The investigation had the potential to develop many strands of inquiry and in this regard it was important to define a manageable scope. To focus this still further, research questions were developed for each of three interlinked projects that comprise this DBA submission.

### **Project 1 - Research questions**

Project 1 sought to establish the role of espoused personal values and their relevance to management behaviour in this specific context. It also considers the development of owner/manager groups as a means of dealing with the complexity arising from different personal values and their emphasis within owner/managers' value systems (Wiener, 1988).

*RQ 1 Do personal values communicated by individual owner/managers manifest themselves in management behaviour?*

*RQ 2 Do groups or families of owner/managers' exist that communicate and emphasise certain personal values and develop and display distinctive management behaviours?*

### **Project 2 - Research questions**

The research agenda here naturally aimed to build upon the findings of Project 1 where two categories of owner manager are identified as being 'most valuable' to the Parent Co. It was therefore deemed critically important that the parent organization understands and can work with these individuals to develop business together. Project 2 examines the two categories of owner/manager identified as 'most valuable' and seeks to understand how diverse the approach of the Parent Co should be in attempting to create an environment where more entrepreneurial and enterprising owner/managers might succeed. This gave rise to the following question:

*RQ3 What approaches do the 'most valuable' owner/managers adopt to developing their business?*

This question gives rise to a sub question:

*3.1 Do these approaches differ significantly between the two categories of owner/manager under investigation?*

### **Project 3 - Validating the findings and turning DBA research into a useful and usable solution.**

Project 1 enquired into the personal values of individual pub owner/managers and sought to understand the relationship between individual personal values, their interpretation in the form of management behaviours and the relative performance of individual pub businesses. The study accepted that this was an incomplete picture and that other external factor, such as economic environment and geographic location of the premises, also influence relative performance. However, the study contests that these things being equal, personal values that are translated through to management behaviours ultimately have a profound relationship with the performance of the Pub. Within the study, a typology of five owner/manager types was identified and there proved to be much similarity in the words used to describe personal values by the individuals who took part in this initial study. This congruence in the words and language being used was contradicted in the translation into management behaviours and at this point considerable variation was identified. It was this translation into tangible and evidenced management behaviours that informed the development of the typology. Of the five distinct types identified: 'Professionals', 'Positive Traditionalists', 'Negative Traditionalists', 'Social Eventers' and 'Friendly Optimists' - two types were identified as being particularly valuable to the Parent Co.

Project 2 progressively focused upon the two 'most valuable' (to the Parent Co) types of owner/manager - 'Professionals' and 'Positive Traditionalists'. Both of these categories during the course of Project I communicated within their responses elements of enterprising and entrepreneurial behaviour. These elements were explored in Project 2.

The study identified further differences in personal values of these two categories and also indicated variability in their approaches. The study identified that 'Professionals' communicated core personal values that were 'instrumental' in nature, e.g. caring for their businesses and the individuals working within it, and seeing the development of their business as a personal 'challenge' to be worked at. 'Positive Traditionalists' communicated personal values that had a terminal focus such as 'enjoyment' of their success and 'freedom' to do what they wanted indicating a more fulfilled approach. This different emphasis in values and approaches was also found to relate to different elements of enterprising and entrepreneurial behaviour with 'Professionals' communicating risk, tangible outputs and momentum as important within their approach and 'Positive Traditionalists' identifying, in particular independence and

stability as important. The approach adopted by the 'Professionals' is in certain aspects more consistent with established views of entrepreneurs where achievement motivation, risk taking and innovation are talked of widely (Stewart Jr, Carland, Carland, Watson and Sweo, 2003). These differences in emphasis within personal values and differences in enterprising and entrepreneurial approaches relate to the ongoing development and performance levels they expect from their respective businesses.

Projects 1 and 2 identified congruence in the use of words and language to describe personal values by owner/managers. This congruence was not however carried through into management behaviours, and informed the development of a typology categorising individual owner/managers through their management behaviours. Project 2 specifically looked through the lens of entrepreneurship at the two most valuable categories (from the perspective of the Parent Co) and identified still further differences in personal values and in related and resultant entrepreneurial behaviours.

Projects 1 and 2 also identified both positive and negative reactions amongst the sample group relating to the tenancy system. Project 3 builds upon the positive aspects of this, utilising an action research based methodology. Specifically, an appreciative inquiry (AI), aimed at designing appropriate approaches that would contribute to the development of the tenanted pub retail business of the Parent Co through offer development, owner/manager development, and ensures that it will remain relevant to the 21<sup>st</sup> century leisure consumer. The research question for the final project was:

*RQ 4 How can the Parent Co develop its relationship with, and ensure that it retains, its 'most valuable' owner/managers?*

This gave rise to a series of sub-aims or principles that were established for the AI:

To further build upon the insights and understanding developed in Projects 1 and 2.

- 4.2 To focus upon change within both the sponsoring organization and individual tenanted pub retail businesses.*
- 4.3 To be capable of relatively quick implementation in the sponsoring organization and individual pub retail businesses.*
- 4.4 To involve respondents in designing a solution.*
- 4.5 To recognise and take account of the complexities of the different categories of owner/manager and their relationship with the Parent Co.*

*4.6 To build upon the positive aspects of the owner/manager and Parent Co relationship.*

The doctoral programme, as discussed above, is structured around three interlinked projects. An overview of the three components parts which comprise this study, and their links to the research questions, form figure 1.1.

**Figure 1.1 Project overview**

<b>Research Question</b>	<b>Project 1 Nov 04 - Sept 05</b>	<b>Project 2 Sept 05 - Mar 06</b>	<b>Project 3 Mar 06 - Jan 07</b>
1	Understanding of different management behaviours related to espoused values		
2	Identification of different owner/manager types		
3	Establish 'most valuable' owner/manager types		
3		Deepen understanding of the intrinsic motivators of 'most valuable' types	
4		Identify different relationship needs of 'most valuable' types	
4			Validate the findings. Identify the steps the Parent Co needs to take to implement.

## **OVERVIEW OF THE LITERATURE**

The literature review is presented in chapter 2. However, key emergent themes are detailed below. This is supplemented by figure 1.2 which provides an illustrative but not exhaustive summary.

The literature reveals much in relation to personal values (Fernandez and Hogan, 2003; Finegan, 2000; Rokeach, 1973; Rokeach, 1968) and the critical role they play in the way an individual will think about and approach situations they encounter in their lives. Owning and managing a small business is such a situation and relates to personal values in the following ways:

Personal values grounded in the psychological discipline Rokeach (1973) have a role in all walks of human life and human thinking. In the context of small businesses these values will either consciously or unconsciously influence the way in which the individual owner/manager will develop their business. Indeed, in a small business, the role of personal values may be more pronounced and relate to the level of personal, financial and emotional investment that the individual owner/manager contributes to the business venture.

Personal values are directly linked to employee involvement, motivation and retention through such matters as openness, honesty, trust, respect and fair treatment (Sankar, 2003). They can improve customer service performance Clark (2002) and deliver overall competitive advantage Davidson (2002).

The literature builds further on the theme of employee involvement when exploring the role of leadership, and highlights an interesting dynamic between leadership style and leader personal values identified by Wiener (1988). This notion has implications not only for how individuals choose to develop their businesses but also for a Parent Co that may have businesses. For example, in a turnaround situation that may require an owner/manager with a different leadership style whilst turning the business around and re-establishing it, as opposed to the leadership style required once it is re-established. This relates to the individual's overall competence, understanding and drive as a businessperson - emergent themes within the entrepreneurial literature. Here, matters of personal values, strategic intensity and the willingness of the individual to incur personal cost to grow and develop the business are highlighted. The literature goes on to identify links to the way in which an individual chooses to organise people within their business and the extent to which they set themselves strategic goals or success factors. Personal values and behaviours are synonymous, and the entrepreneurial domain identifies the following behaviours that entrepreneurs are likely to display: a preparedness to incur risk, both personal and financial, a willingness to challenge orthodoxy and a willingness to be more innovative around the role of their business. These individuals are also identified as being

inclined to think beyond the immediacy of their current business situation, looking and seeking further development opportunities. Picking up on these themes the following definitions were used in this area to inform the development of the study.

There are obvious difficulties within the literature in regard to defining the entrepreneur. The following definitions do however seem to capture the essence of entrepreneurial behaviour as, "someone who exploits an invention or technology in an environment in which adventure and risk are inherent" (Hamilton and Harper, 1994p3). "An entrepreneur is a person who spots a new opportunity and is minded to act on it and start something" says Thompson (1999) who goes on to argue that "entrepreneurs are people who show initiative, imagination, creativity and flexibility". These definitions within the specific context of owning and managing a tenanted pub are somewhat tempered because the owner/manager does have the support of the parent organisation, thereby limiting some of the potential risk. They are nonetheless exposed to a highly competitive external market and contribute their own financial capital, time, ideas, energy and enthusiasm towards the success of their enterprise. In this way they do broadly meet a number of the criteria for defining an entrepreneur.

The type of businesses being studied within this research means that, by their very nature, they are almost exclusively owner/managed. These owner/managers will have varying reasons for adopting and choosing a career path that sees them being their 'own boss' and choosing to generate income and personal wealth in this way. However, owning and managing a tenanted pub, essentially being a pseudo employee, may not meet with purist definitions of an entrepreneur as suggested in the following extract by Beaver (2003a).

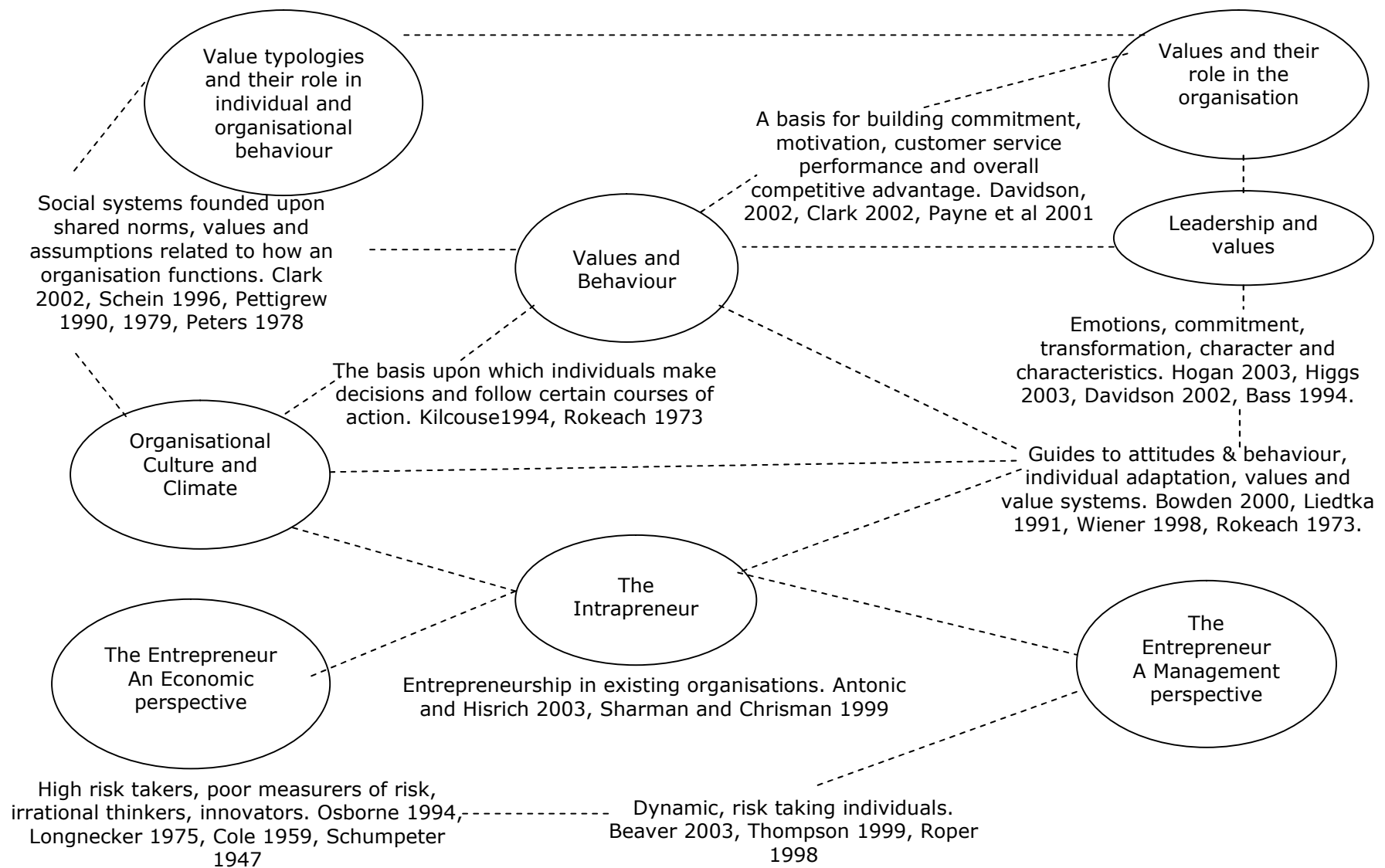
"An important conceptual distinction is made between entrepreneurs and owner-managers. Discussion of the small firm by academics, policy makers and others frequently uses the term 'entrepreneur' very loosely and invariably as a synonym for 'small business owner'. The term 'entrepreneur' is a halo term and a flattering and glamorous label. The term is positively charged and its attachment to any activity invests with it all the cultural meanings and approval to be found in a society that values the formation and development of economic activity and the accompanying difficulties that have to be overcome. Such a label is often attached to activities that on close inspection are quite prosaic. The great majority of those who start, buy or inherit a small firm should not be seen as 'entrepreneurs' in any strict meaning of the term." a view also supported by Brereton (1974).

However, in the context of this research, it is segmentation based upon individual personal values and management behaviours that distinguish individuals who seem to be displaying entrepreneurial and enterprising characteristics. The research is deliberately not targeting all pub

owner/managers and therefore does not classify them all as homogeneous and all exhibiting entrepreneurial behaviours. This approach indeed supports the perspective of (Beaver, 2003c; Brereton, 1974).



**Figure 1.2 Illustrative summary of the literature**



## **PHILOSOPHY AND OTHER FACTORS INFLUENCING CHOICE**

The researcher is faced with a number of ontological choices and, in summary, these are represented as alternatives between, positivism and phenomenology (Easterby-Smith, Thorpe, and Lowe, 2002); objectivism and subjectivism (Morgan and Smircich, 1980) and empiricism and idealism (Reason and Rowen, 1981)

Ontology is concerned with the nature of reality and at one end of a continuum, reality is believed to exist external to, and independent of any observer. A researcher with this philosophical perspective will look to identify causes and explanations and acquire knowledge using objective methods: testing and refining theory, making hypotheses and proving or disproving predictions. The positivist epistemology, the way of approaching and collecting data, suggests that the world is external, objective and can be measured (Easterby-Smith et al, 2002). This approach suggests that the researcher should be looking for facts and figures, causal relationships and basic laws that reduce the issue in question to a level where a hypothesis can be formed, tested and operationalised. In the values domain a number of studies have been undertaken using this approach where values have been ranked using a measurement instrument. Critical of such approaches in the field of organisational culture, Schein (1996) highlighted that "much cultural research puts a premium on abstractions that can be measured rather than on clinical or ethnographic observation of organisational phenomena". He continues, "some researchers are simply not seeing what is there and that this is particularly dangerous when one is dealing with a social force that is invisible but very powerful". This study adopts the perspective that knowledge of personal values will be best gained from close scrutiny and immersion within the phenomena being studied without completely disregarding the role of scientific methods. Indeed the work of a number of scholars from the positivist domain underpins the theoretical framework within this study and their work across large populations of respondents over many decades has made a valuable contribution to the field. Indeed the use of more scientific methods was a viable philosophical and methodological consideration at the outset of this study. An alternative route was however adopted that would allow respondents to express themselves in a way most natural to them. The approach is towards the opposite end of the continuum talked of earlier, and sees reality more as being a socially constructed phenomenon consisting of individuals' own interpretations of their circumstances. Knowledge in this sphere is derived from a deep understanding of meaning constructed through the individual's own view of reality. The role of the researcher then becomes to interpret and construct meaning from the point of view of the individuals involved.

All along this talked of continuum; there are a range of philosophical positions available to the social scientist. Within the field there has been much debate as to the appropriateness of the positivist approach based upon observable facts and statistical analysis. Two opposing schools of thought exist with the positivist perspective arguing that, whilst

differences exist in the subject matter between the natural and the social sciences, the same methods to explain outcomes can be used. The opposing argument is that the social world is fundamentally different and that an approach that is sympathetic to this difference is more appropriate and required. Indeed Blaikie (1993) argues that the capacity that human beings have to make decisions of their own 'free will' undermines the structured approach to explanation and prediction. It is not the intention here to review the many philosophical positions open to the social scientist, rather to set out the perspective to be adopted within this study, which is that of a realist. Realist ontology accepts a role for scientific methods in developing understanding whilst attempting to recognise and avoid some of the drawbacks to their use in the more subjective, social setting (Harre, 1986). It recognises the significant differences between the natural science and social science fields and concerns itself with developing methods appropriate to the subject matter. In the specific context of this research it allows for a position to be adopted which assumes that management practices and personal values of owner/managers are 'real' and, although they may be observable, they can only really be accessed through discussion and subjective accounts provided by the individuals themselves. This interpretation will centre upon individual meaning and relevance and, as such, specific constructs will be developed that are the product of individual personal consciousness and cognitive processes Burrell and Morgan (1981). There seems a congruence between a phenomenological view of the world, which suggests that 'people are continuously involved in interpreting, making sense and developing constructs about their world, social situations, other people's behaviour and their own behaviour Blaikie (1993) and the subject of this study: the role of personal values in the management and operation of multiple small businesses. Within the study it will be important to probe and discuss individuals' perceptions, understanding and interpretation of their reality and to uncover deeply held beliefs that guide behaviour Rokeach (1973). From this perspective, there will be no single truth but different, equally valid, individual versions of truth and reality. Consistent with realist ontological and epistemological perspectives respondents will answer questions from their specific viewpoints and from their specific understanding, not provide right, wrong or socially desirable answers (Kelly, Silverman and Cochrane, 1972)

The analysis stage of the study uncovers understanding and meaning, attached to values by respondents, and the bringing of their interpretation to life through management behaviour. In undertaking analysis of this nature a further level of interpretation was inevitably added by the researcher. This said it was still possible to develop a thorough and in-depth understanding of respondent's world views. This reflexivity is not inconsistent with the philosophical position adopted (Easterby-Smith et al, 2002; Denzin and Lincoln, 2000).

## **OVERVIEW OF THE RESEARCH DESIGN**

The methodological choices faced by researchers are typically a choice between quantitative and qualitative methods, with these choices often linked to the epistemological preferences of the researcher. The choices for this research were more complex than this given (the researcher's) realist ontological perspective and a heavy emphasis upon quantitative research both in psychological literature and later in relation to specific research around 'values' by scholars such as Rokeach (1979; 1973; 1968; 1967). This tradition has continued, and much contemporary literature adopts a positivist stance although there has been seen a development of studies adopting both critical realist and interpretivist methodologies and underpinnings (Haugh and McKee L, 2004; Murphy and Mackenzie Davy, 2002). The positivist tradition in values research suggests that the researcher should remain detached and unprejudiced (Blaikie, 1993). By way of contrast the interpretivist perspective adopts a stance that suggests social sciences cannot be measured in this way as they are fundamentally different from the natural sciences and therefore resultant knowledge can only be gained if the subject matter is viewed from the perspective of those intimately involved. The interpretivist therefore believes in a social reality that is deeply subjective arising from meaning and concepts constructed by individuals themselves. Interestingly, the realist approach does not rely on or insist on particular method of inquiry and indeed supports the notion that methods should be appropriate to the particular study (Blaikie, 1993).

The use of language is an issue for the social researcher in terms of the position to adopt with regard to the use of lay language. Along the continuum of positivism through to interpretivism the use of lay language is viewed differently dependent upon the researcher's stance. Positivism entirely and explicitly rejects the use of lay language for description and explanation, preferring the use of technical language linked to an external worldview. Realism on the other hand, with its base in interpretivism, places significant emphasis on the use of lay language in the development of social theory as there is an essence in what is being said, its structure and its function for communicating propositions and thought (Wittgenstein, 1963). This is not to say there are not different views and approaches to the use of lay language within the interpretivist domain. It is not the intention to set out these differing views here, rather to outline the approach adopted within the study.

The research in this study is concerned with identifying themes and relationships between social variables whilst generating theory within the limits and context of the study (Bryman, 1996). The nature of the subject matter in this study meant that lay language was a feature of the discourse and used extensively by respondents. In this regard transcripts were transcribed literally without any grammatical tidying or correction therefore leading to lay language forming an integral part of this study providing authenticity and a usefulness that may have been lost had

translation into a more technical idiom taken place. The approach supports the notion that if language is changed, essence and meaning may be lost (Wittgenstein, 1963).

The research was undertaken in the 84 tenancies that comprise the tenanted pub retail business under review. The individual businesses are located throughout greater East Anglia (defined as Norfolk, Suffolk, Essex, Cambridgeshire, Hertfordshire and Bedfordshire) and London, and range from small community locals, town centre bars, destination food establishments and traditional inns with accommodation. All are owned and managed by independent business people and all are affiliated to the Parent Co through rental (tenancy) agreements and purchasing obligations. All properties are branded externally and internally in the parent company's branding. Staffing arrangements at outlet level range from a husband and wife team to a medium sized retail business employing 70 people. Staff numbers per outlet average 8 people and average sales turnover per outlet is £4,500 per week giving rise to a business at aggregate level employing close to 700 (mostly part-time) people with sales of approximately £19m pa. Organisational structures within the outlets are typically the owner/manager and staff although some individuals will manage more than one outlet and have a management team at each site. Length of service amongst the population of respondents ranges from less than one year to greater than 39 years. The research was conducted directly with individuals who are owner/managers of the various businesses.

Sample selection was given much consideration. The public house estate that provides the source of respondents and access comprises properties located across a relatively dispersed geographic area. Demographic data (2001 Census) provided details of individual public house catchment areas, and these proved to be a relatively similar with regard to resident population, age bands, educational attainment and the number of residents economically active (Appendix 1 refers). Exceptions to this were Cambridge where the resident population is much younger and Great Yarmouth and Lowestoft where the numbers of unemployed are significantly higher. An attempt was also made to match the level of retail space, number of letting rooms (where applicable), retail offer and location. This proved more difficult as the estate is a series of unique buildings with their own distinctive characteristics. A strategy was therefore adopted where public houses were selected from the parent company's own public house segmentation: destination food with accommodation, destination food, community and wet. From each of these categories eight public houses were selected: the two top performing, four middle performing and the two worst performing (total n = 32). The definition of performance in the Parent Co context is a relatively narrow view of the volume of product sold to an outlet and the monetary value, comprising (£) wet sales value plus (£) rent and a proportion of the (£) food and machine income paid by the outlet to the parent organisation. The study was planned across 32 public houses, close

to 40% of the total estate. Interviews were ultimately completed with 27 owner/managers representing 32% of the estate, with five individuals declining to be involved. It is, however, felt that this number of interviews remains significant enough to identify key themes and relationships in the data and to hold credibility with both the academic and the practitioner community.

A multiple cross-case study was adopted, with data being generated from semi-structured interviews. The case study approach was considered appropriate as the research questions to be answered are concerned with description and understanding, particularly asking how and why? These how and why questions form part of a set of three conditions which are said must to exist when considering the 'relevant situation' for a case study (Yin, 2003) covering: (1) the types of research question, (2) the extent of control over behavioural events and (3) the degree of focus on contemporary as opposed to historical events. Taking each of these conditions in turn as they relate to this research, the appropriateness of the case study approach is supported:

The research questions in this work are concerned with the exploration of individual owner/managers' personal values and how the relationship between personal values, management behaviours and public house performance works.

The focus of the research is on hearing individual's own accounts of the ways in which they approach the management of their own particular public house. It was intended to be their story and therefore beyond the control of the researcher.

The research is concerned with understanding and explanation in the present.

One of the principal advantages of the multiple cross-case study approach is that it can generate broad informative data that possesses richness and depth, and has the potential for revealing a complexity rooted in a localised and real context (Miles and Huberman, 1994). For these reasons the case study and, in particular, a cross-case approach that identifies types or families of owner/managers for use in and by the practitioner community, was considered most appropriate.

The unit of analysis can take many forms. Issues regarding the level of analysis were given much consideration as different levels of analysis ultimately determine different research and data collection strategies (Yin, 2003).

Within this study the unit of analysis could have presented itself at many levels: the level of the tenanted pub sector, the level of the parent organisation, the level of the whole pub estate, the level of the discrete segments within that estate, the level of the public house or indeed, as

decided here, the level of the individual owner/manager. This level was considered the most appropriate level in relation to the subject matter as individual personal values underpin the whole emphasis of the thesis.

A pilot study was carried out amongst five individual public houses with the aim of developing an understanding of the technique to be used and to deploy the technique in a 'live' situation to gauge respondents' own personal response and level of acceptance of the technique. It was intended to use repertory grid technique (RGT) as the core method to identify individual tenant's perceptions of success. RGT is derived directly from Kelly (1955) Personal Construct Theory (PCT). PCT has, at its centre, the notion of 'man as a scientist' and possesses its own unique philosophical positioning - 'Constructive Alternativism'. This philosophy assumes "all of our present interpretations of the universe are subject to revision and replacement". This is then further underpinned by an assumptive structure beginning with the fundamental postulate that "a person's processes are psychologically channelised by the way in which he or she anticipates events" (Kelly, 1955). RGT is an established method for exploring the way individuals see the world and provides the researcher with an opportunity to see the world through the eyes of their respondents with the aim of helping respondents identify constructs they hold about the world and those that are most important to them. Initially used in clinical psychology, RGT has subsequently enjoyed use in social, management and marketing research.

A pilot study was conducted across four successful (as determined by the Parent Co) public houses, involving five individuals, closest to the parent organisation's head office. These public houses through, geographic location and familiarity, benefit from a proximity to the head office, and should possess a local perspective as to how the Parent Co operates, together with an understanding of the parent and its core business objectives. They provided a useful environment to test the research objectives and competence in using RGT. The approach was also planned to provide useful initial personal constructs. It should be noted, however, that these public houses are located in an economically affluent area and were to be excluded from the main study for the reasons detailed above. Prior to the research commencing all tenants involved in the pilot were sent a letter from the organisation outlining the research and the absolutely voluntary nature of their involvement and the subsequent confidentiality of their responses (see Appendices 7 and 8). Following appointments for the interviews to take place, a follow-up letter was sent providing more background to the study, thanking them for their willingness to become involved, reiterating the voluntary nature of their involvement and the confidentiality of their responses. All the interviews took place on their own premises.

Within the pilot study owner/managers were asked background questions such as: level of experience in the on-trade, length of time in the particular public house, previous work occupations and numbers of staff

employed. It was necessary to develop a relaxed environment and rapport with the respondents, as there was a danger that the triadic sort and RepGrid technique could detract from the quality of the interview because of the use of other stimuli beyond face-face conversation. Moving to the Repertory Grid interviews people were encouraged to develop their personal constructs around success. Elements were elicited through questioning and these were then used in a triadic sort [taking three elements] to create personal constructs. All elements were rated on a 1 - 5 scale and the results used to populate a repertory grid.

Repertory grid technique has as one of its component parts, the notion of 'face validity'. This term was coined by Kelly (1955) who recognised that personal constructs could be developed from any element but he also recognised that to gain the confidence of his respondent that it was important to introduce elements that have a sense of meaning and relevance to the individual, hence the development of the term 'face validity'. In the case of owner/managers it was decided to allow elements to be developed by respondents through asking them the following questions:

- Could you identify three tenants/public house managers that you perceive to be good managers in your terms?
- Could you identify three tenants/public house managers that you perceive as neither good nor bad in your terms?
- Could you identify three tenants/public house managers that you perceive as poor in your terms?
- Could you identify three managers from your own past with whom you may have worked or knew well?

The respondents found this activity difficult and the identification of elements proved to be time-consuming. When the reasons for this were explored with individuals by way of a debriefing, the following reasons were given.

*"We are a small business involved in operating it twenty-four hours per day, seven days per week. We do not therefore feel qualified to categorise the performance of other tenants/owners." DB, RL1*

*"I do not feel comfortable with criticising other members of our profession." CC, SB2*

*"I prefer to express my thoughts and ideas through conversation and chat. This idea of thinking about others and using cards as part of the process detracted from the interview and the conversation." JI, LN3*



Further to this, handling a triadic sort and completing forms in a public house environment, often with customers within proximity to the interview, attracted attention and distracted the respondent. For these reasons, 'face validity' of the technique, in these particular circumstances, was not present and subsequently some of the constructs produced were ill-defined and weak. The obvious difficulty being experienced by the respondents undoubtedly reflected on myself as the researcher and led to ineffective questioning and data administration. There were, however, positives arising from the pilot exercise as the conversational element of the interview identified several key themes as being important, from the tenants perspective in owning and managing a tenanted public house. These key themes were identified and grouped as: managing customers and customer service, managing staff, managing the business, marketing the business and leadership.

Following experience with the reporting grid (RepGrid) data collection technique and persuasive feedback from respondents, it was decided to abandon the use of the method. This required the adoption of an alternative method that would allow respondents to express themselves through their preferred style, *conversation*. This is consistent with a realist epistemology that allows for a data collection method that is appropriate to the subject matter. It was therefore decided to amend the method to allow *conversation* to be the data collection vehicle synthesising this with the key themes identified in the pilot exercise, using them as interview prompts within a semi-structured interview method. This was accepted by and relevant to respondents whilst remaining consistent with the main reasons for conducting qualitative interviews, namely to understand "how individuals construct the reality of their situation formed from the complex personal framework of beliefs and values, which they have developed over their lives in order to help explain and predict events in their world" Jones (1985) quoted in Easterby-Smith et al (2002). An interview prompt and protocol sheet form Appendix 2.

In Project 1 a series of 27 out of a planned 32 interviews were undertaken. Interviews ranged in length from just less than one hour to over three hours, and explored individuals' constructs and management behaviours around customers and customer service, managing staff, managing the business, marketing the business, and leadership. Whilst discussing these areas it was attempted to directly elicit individuals' personal values.

The interviews were conducted in a relaxed atmosphere often in a public house that was busy with customers. This was not an ideal situation although, with only one exception, individual respondents provided their full attention. Individuals responded with great candour evidenced by their willingness to share their perceptions, experiences, and in some cases, private details. During the schedule of interviews my own interviewing technique developed from an initial position where I was concerned as to the appropriateness and relevance of the data being collected. This

situation improved as my technique and confidence developed. However, I recognise this anxiety may have led to some bias being introduced into the early stages of the exercise. I have, however, reported and analysed the data as collected.

The Project 2 interviews with owner/managers also followed a semi-structured approach as the inquiry progressively focused its attention on the 'most valuable' individuals. At this stage, the inquiry was seeking to understand in greater depth critical insights and the conditions present when owning and managing a successful public house. Respondents identified for this progressive focus were a subgroup from the initial Project 1 population. It was therefore important to maintain credibility, relevance and interest with this group who were becoming a main focal point as the research progressed and would be asked to contribute further in Project 3. As with Project 1, interviews were conducted on the premises of respondents.

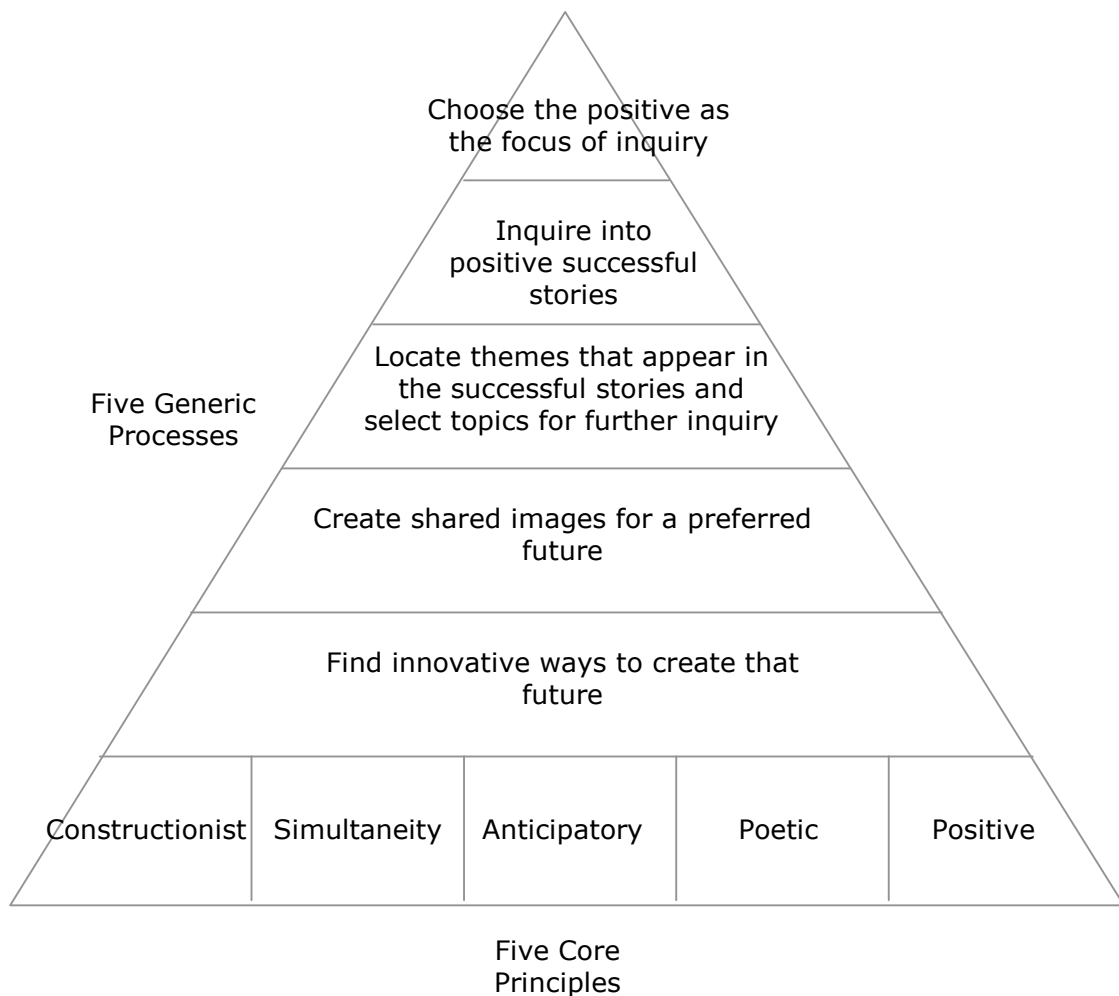
Again, a cross-case study approach was adopted. The sample for the research was the two 'most valuable' owner/manager types as determined in Project 1. One of the categories forms the largest single group in the original study (12 out of a sample of 27) and the other one of the smallest groups (4 out of 27). It was decided to equalise their representation within Project 2 with a sample of three owner/managers from each category. This was done to provide equal voice to both owner/manager types who are of similar value to the parent organisation in financial terms.

In this instance a case study approach was adopted in order to arrive at 'thick descriptions' (Gomm, Hammersly, and Foster, 2000) and develop an understanding of these descriptions in a real world setting, thereby giving voice to individuals who have something valuable to say about succeeding in owning and managing a tenanted public house. The methodology has at its core an idiographic perspective and, from this position, would look to develop a level of 'transferability', as to how these individuals conduct themselves in a business setting. 'Transferability', in this context, was defined as being distinct from generalisability, as indeed within the positivist domain generalisability, in addition to suggesting that a concept can be generalised across populations, it was also concerned with prediction and control of a set of variables. The Project 2 study was looking to neither to predict nor to control, as it was understanding the individual's own uniqueness that was important. The research was seeking to understand not only what were the particular characteristics of these people but also, more importantly, what environment and conditions needed to be created to enable their individual flair to flourish. 'Transferability' within the Parent Co or to other leased and tenanted public house companies (Pubco's) would be achievable based upon the 'fittingness' (Gomm et al, 2000) or similarity of contexts. The research built upon Project 1 in that the first project identified categories of owner/manager who were bringing their personal values to life in

particular ways through their management behaviour and approaches to their businesses. Within the context of specificity of tenanted public house management, these individuals also communicated approaches towards risk, innovation and exercising their independence, and through these competencies developed their businesses beyond what was initially thought to be possible. It is this relationship, together with understanding the conditions necessary for these people to succeed that motivated the research agenda of Project 2.

The method used for Project 3 as the final phase of an extensive and detailed study into the personal values, management and entrepreneurial behaviours of individual owner/managers is appreciative inquiry, (Cooperrider and Whitney, 1999). Appreciative inquiry can be used at the level of the individual, the team and the organisation (Philips, 2004) and is essentially a process that focuses upon transformational change defined as changes in the identity of a system, and qualitative change in the state of being of that system (Bushe and Kassam, 2005). Appreciative inquiry is a qualitative methodology, supportive of, and complementary to, the ontological and epistemological perspectives adopted within Projects 1 and 2. Indeed, Bushe and Kassam (2005) relate appreciative inquiry underpinnings to the work of Gergan (1994; 1982) and talk of there being no empirical truths 'out there' to discover. At the core of the process are a series of semi-structured conversations with respondents that explore when things are working well and at their best, and when, as individuals, they feel most energised (van der Haar and Hosking, 2004; Cooperrider and Srivastva, 1987). The insights arising from these conversations are then typically validated and developed as core themes or strengths from which to go on and build change. Exponents of the approach (Watkins and Mohr, 2001) argue behavioural change arising from the process can be rapid and sustainable, and claim that it produces less resistance than deficit-based change initiatives and interventions. Deficit-based change initiatives are defined as the more traditional approaches to action research and organisational change that work from the premise that something is faulty and in need of repair, has problems or is unwell in some way. Indeed, Cooperrider and Srivastva (1987) base much of their criticism of action research as focusing on the negative. Such action research approaches talk of diagnosis, problem identification, gap analysis and of fixing things, (Philips, 2004). The reason for the assertion that appreciative inquiry can achieve rapid and lasting change is that the underlying principle is of building upon that which is already working, that the focus of attention is the positive and that the purpose of inquiry and action are inextricably linked (Cooperrider, Sorenson, Whitney, and Yeager, 2001). Appreciative inquiry is underpinned by the sociology of knowledge - social constructionism, and is supported by the new sciences of chaos theory, complexity theory, self-organising systems and quantum physics, and is argued to comprise of five core principles that underpin five generic processes. These principles and processes are highlighted in figure 1.3.

**Figure 1.3 – Appreciative inquiry model**



### **Data collection and analysis**

Data collection and analysis was undertaken through making use of a framework developed from the literature and key themes identified by respondents in the pilot exercise. This informed the development of a coding structure (Appendix 3). All interviews were transcribed into Microsoft Word, and the individual transcripts were then read into Nvivo for analysis. In Project 1 the data was also analysed manually using a large grid where all 27 interviews were cross-referenced against criteria determined within the coding structure. This provided a large visual, high-level interpretation (Appendix 4) of all of the interviews together with an overview of the data by public house together with a list of the personal values communicated by each individual owner manager. The data was then worked and reworked using the functionality within Nvivo to identify themes, key linkages and relationships.

In project two analyses was undertaken through the use of an emergent conceptual framework (Appendix 5) developed during Project 1. This informed the development of a coding structure for use with Nvivo (Appendix 3). Again, all interviews were taped and subsequently transcribed into Microsoft Word. The individual transcripts were then analysed within Nvivo. This was consistent with the approach followed within Project 1.

In Project 3 data collection was conducted while the results of Projects 1 and 2 were shared with participants, for validation, and as the whole thesis moved from the research phase to the implementation phase. Data was again collected via recording and then transcribed into Microsoft Word. Analysis was then again conducted using multiple iterations within Nvivo.

## **SUMMARY OF KEY FINDINGS**

From the perspective of espoused personal values the research has revealed a remarkable degree of consistency in regard to the personal values that the ownership and management of a tenanted pub provides and are believed to fulfil for respondents. All 27 respondents used consistent language when describing values and seven key value words were emergent: care, challenge, enjoyment, freedom, integrity, pride and satisfaction.

The area of significance with regard to these phenomena is not the significant consistency of language. Rather, it is the resultant inconsistency of management behaviours apparent in the findings. These marked inconsistencies are detailed in the results chapter for Project 1 and led to an emergent conceptual framework being developed.

Espoused values themselves, in the context of this research, were notable through their consistency but, in context, little more than words. Whilst it is interesting that disparate individuals, owning and managing businesses dispersed geographically, are able to articulate consistently, this is not the critical issue. Rather it is the way the individuals choose to use their interpretation of espoused values to influence their behaviour, in other words how individuals bring values to life.

The literature on the role of the central coordination of values is broad and complex and presents a mixed picture with arguments being presented by scholars on both sides of a divide. Some argue the role for the central coordination and communication of values and the role this can play in the development of progressive organisations' (Haugh and McKee L, 2004; Stephenson, 2004; Peters and Waterman, 1982) . Others argue from a perspective that sees values as personal to the individual and therefore incapable of being centrally coordinated in terms of meaning and interpretation (Murphy and Mackenzie Davy, 2002).

In the specific context of the tenanted pub businesses within this study there is considerable consistency revealed in the value-words espoused by owner/managers and this could present and support an opportunity for central coordination. This would provide context and meaning to words that individual tenants already recognise and identify as being relevant to them. This provides an opportunity for a congruence of values that is consistent with the work of Liedtka (1989) and provides the Parent Co with an architecture to begin addressing behaviours identified that are inconsistent with its brand identity and contradictory to its own values framework. This is unlikely to be a task to be undertaken easily as many of the interpretations of values and their relationship with management behaviours appear to be embedded or 'hardwired' amongst certain categories of respondent. The meanings attached to 'value' words by different categories of individual were found to be influenced by different worldviews in an iterative way. In particular, 'positive traditionalists'

appeared fiercely independent and held well-formed worldviews developed and reinforced over a number of years. 'Professionals' were found to possess a more open-minded approach and were found to be prepared to shift and adapt their views and change their businesses as a result.

A role-ordered matrix was produced derived from the typology identified in the analysis phase, and summarises the position. At this stage, the categories were named to provide greater clarity and understanding and to facilitate their practical use. The matrix provides both an overview of the characteristics identified during the analysis and a reference point for the Parent Co to begin to develop further its own understanding of the varied approaches adopted amongst its tenanted pub owner/managers. This is an important consideration, given an external environment that will require adaptability and flexibility as they orientate and develop these businesses for the future.

Project 1 identified two categories of owner/manager, 'professionals' and 'positive traditionalists', as being particularly valuable. These categories were confirmed and justified by the findings in Project 2. Further findings from the project were:

'Professional' owner/managers are individuals with an approach to business consistent with classic entrepreneurial characteristics as defined within the literature. They are prepared to invest and risk time, money and energy in developing ideas that they see as opportunities for business development. They display drive and require a constant momentum to satisfy their own personal need to feel that their business is constantly moving forward. They do generally expose themselves to more risk than others; either through investment in the businesses or through changing the offer of their businesses ahead of consumer/customer trends. Their overall approach to risk is relatively relaxed and based upon their experience and self-confidence. This category of owner/manager is also committed to their own independence, although less so than the literature presents. Indeed, this view conflicts with the populist and, in some areas, the academic view of the entrepreneur, who is often portrayed as the most independent and self-sufficient of individuals. They are nonetheless relatively independent and this independence is secured through their own intuition and drive. This drive is translated into a momentum that they introduce into their businesses and will be used to signify to themselves that they are earning independence. These people do accept complete responsibility and ownership for their actions, and a critical interplay between risk, momentum and tangible outputs will be seen to safeguard and secure independence. Ideas and innovations are generated through exposing themselves to external stimuli; decoding data collected using idiosyncratic methods and creating discontinuity. These behaviours were found to be consistent with the literature and supported in practice by these individuals (Mambula and Sawyer, 2004; Kirby, 2004; Antoncic and Hisrich, 2003). There is also evidence of these individuals being

supporters of new ideas and that they will give ideas every chance of success before they discard them.

When asked to determine their absolute core motivating value from those they identified in Project 1, 'professional' owner/managers highlighted values that are challenging of their approach to their businesses. They each identified 'instrumental values' (Rokeach, 1973) that guide the way in which they operate their business. This means, for example, their value system will contribute and guide the way they will train and develop their staff, the way they will develop operational procedures, the way they will relate to and value customers and customer service, the way they will work with and relate to business partners. In the case of 'Professional' owner/managers their values and value system are synonymous with everything that goes on within their businesses. They bring their values to life in tangible ways within and for the benefit of the business. The values of 'Professional' owner/managers are deployed in a way that sees the business as a whole entity benefit. This is an apparent critical difference between 'Professional' owner/managers and others within the typology.

'Positive traditionalists' were found to be more closely involved in the day-to-day running of their businesses than 'professionals' and therefore seem less able to stand back and adopt a more detached view. Less attuned to the outside world and how it is developing leads them to develop their businesses, as suggested within the category descriptor, along more traditional lines. They recognise risk and see this more acutely than others and relate to risk in more threatening terms. They do, however, display a tendency to be more complacent about competitive risks. Independence is delivered through hard work but, distinct from other categories, this hard work is around doing the traditional things better than the competition. They are also more likely to be cognisant of their own limitations than others and therefore unlikely to try or undertake activities that may put themselves or their lifestyle at risk.

This category is more likely to innovate within existing routines or category norms. Consistent with their more internal focus, stimulus is likely to be from within the industry and, in particular, from similar establishments.

They are likely to use their own personal needs and their own worldview as a means of driving business development. Changes introduced are likely to be incremental and of lower perceived risk than those introduced by other categories of respondent. 'Positive traditionalists' are unlikely to be early adopters of consumer trends or link societal change to the development of their businesses. When asked to determine their core motivating values they highlighted values that were feelings and output focussed in essence a variation of 'terminal or end state values' (Rokeach, 1973).



In essence values will be deployed in a way that will move 'Positive Traditionalist' owner/managers towards their own personal goals in a timescale that they perceive as the shortest possible. If for example a 'Positive Traditionalist' particularly valued his or her afternoon off for golf, they would be inclined to ask staff to cover for them irrespective of the individual staff members needs. Their values will in the majority of cases be deployed in ways that directly benefit them as individuals.

Project 3 delivered a number of practical insights into building momentum and an appetite for change in multi-site businesses that have an independently managed arm's length relationship with a 'parent company'.

### **Working with valuable entrepreneurial people**

The analysis identified an interdependent eight-point plan highlighting critical components that, if considered within a change process, will improve the chances of success. This plan is summarised below:

1. *Recognise that owner/managers are not homogeneous.* This study identified five categories of owner/manager. It clearly segments them through different interpretations of values and management behaviours. These categories are distinct in the way that they see the world and approach change. It therefore follows that any Parent Co should take account of these marked differences when communicating and seeking to affect change in this business context. In effect the Parent Co should remain cognisant of these differences at all times and recognise that by undertaking work of this nature it has the opportunity to build and reinforce a stronger psychological contract (Edwards and Karau, 2007; DelCampo, 2007; Raja, Johns and Ntalianis, 2004; Rousseau, 1995) with its owner/manager population.
2. *Ensure that visible and tangible progress is made.* The individuals within this study all possess a high degree of independence, relative to the majority of others within the working population. They measure change in highly pragmatic ways through visible and tangible progress. It follows then that a failure to see progress in this way will discredit any change initiative.
3. *Openly discuss values - 'the things that are really important'.* The individuals who took part in this study often have a lonely role with limited interaction with the Parent Co. If satisfactory change, for both sides, is to be achieved, discussion around the things that were found to be drivers of management behaviour and that contribute to an individual's worldview is vitally important. Congruence in values is unlikely but a thorough understanding of individuals' perspectives will ensure that progress is made.

4. *Cadence is important.* Linked to 2 above. These individuals own and operate their own businesses and control their own timescales. If change is to hold credibility it will need to be undertaken within timescales that are acceptable. Because of the nature of the individuals involved, these timescales are likely to be much shorter than timescales associated with some corporate change initiatives. Corporate bureaucracy and politics are phenomena that are largely invisible to people owning and operating small independent businesses.
5. *Consultation and involvement.* In common with any change initiative, in order to build support, achieve commitment and buy-in a shared understanding as to why the change is necessary, and a sense of building change together are imperatives.
6. *Allow and encourage the building of multiple relationships with the Parent Co.* The power of relationships with delivery, call centre and technical services staff should not be underestimated. The uniqueness of the relationship between the sample group and the Parent Co means that these relationships are viewed as a source of information and are often the most trusted. These relationships are used by owner/managers as a 'consistency check'. Dissonance demonstrated by staff involved in 'servicing' these businesses has the potential to have a profound effect on the success or failure of any change.
7. *Ensure ongoing dialogue.* Linked to 5 above is the need to ensure all involved in the change are aware of progress and have the opportunity to contribute ideas and influence the ongoing process.
8. *Build trust.* Linked to 6 above and essential within developing any psychological contract. It is important in this context that relationships initially founded and enshrined in property law are moved to a more trusting level. The Parent Co therefore needs to behave with the highest levels of integrity at all times and go out of its way to demonstrate this integrity in order to move from a low trust environment to one where shared objectives can be achieved.

## **LIMITATIONS AND FURTHER RESEARCH**

This study used qualitative research techniques to understand the personal values and subsequent management behaviours of owner/managers in a tenanted pub retail business. As with any research of this nature there are limitations to design, implementation of the methodology and to analysis. It is important to make these limitations explicit in order to place the findings in context. The limitations can also suggest potential areas for further research work.

One of the main limitations of the study was that the sample population was drawn from a single business and, when compared with quantitative studies looking at values, the sample is small. However, this is a piece of qualitative research that is not designed to be 'operationalised' in its entirety. Nonetheless, a number of the issues that have emerged from the data will have resonance with, in particular, other tenanted pubco's.

A further limitation was my own role within the Parent Co and the bias this may have introduced into the process from both a researcher perspective, and an owner/manager perspective. Considerable effort was made to ensure that participation was entirely voluntary with assurances over confidentiality, use and attribution of the data was given in writing by the then Chairman of the parent organisation. Discussions were also held with the University Ethics Committee. There will undoubtedly be some bias introduced by the role of the researcher, and this being known to respondents. This may have manifested itself through an element of social desirability entering into individual responses. This is not, however, considered to be significant based upon the candour and openness shown during the research. This was consistent through all three projects and is further evidenced by the willingness of individuals to remain involved as the research has progressively focussed. Individuals were given the opportunity to opt out as the project-based study progressed from Project 1 through to Project 3.

Further, the process of coding and data reduction is invariably a subjective process. In order to reduce researcher bias, the codes and dimensions were defined and discussed with practitioners and academic supervisors. Care was taken to ensure that a trail of evidence was made through each stage of the research process to ensure that plausible conclusions could be made regarding owner/managers' personal values and management behaviours.

The research is undoubtedly a snapshot in time with owner/managers providing responses based upon their feelings and perceptions at that point in time. A broader study taking in the views and perceptions of owner/managers staff would have provided an interesting triangulation of the data. This further level of granularity is recognised as being helpful but needs to be considered alongside the opportunity for

owner/managers, their staff and the researcher to be compromised. It was therefore decided not to pursue this further level of data collection.

The research was carried out only in a single regional brewer that may have a population of pub owner/managers who display unique characteristics through being based solely in East Anglia or through being associated with a single Parent Co. However, the methodology and case study method used is consistent with working with small samples where deeper and richer data is collected. The approach is auditable, despite being a reflection of 'moment in time' answers to questions by respondents. However, if the methods and protocols were followed in full it is reasonable to expect similar results should the research be conducted again.

The research project has proved to be enlightening and has revealed a remarkable consistency of language amongst individual owner/managers in the way that they describe the values supported and fulfilled by owning and managing a tenanted pub. The categorisation arising from the analysis provides new information on how owner/managers' personal values relate to management behaviours and ultimately to public house performance. This in turn provides an insight and highlights the opportunity to develop interventions to handle the many behavioural inconsistencies identified within the study utilising a framework derived from words already articulated to describe values and seen as relevant and familiar by each category of owner/manager.

The categorisation of 'owner/manager' provides the opportunity for a Parent Co to consider and use these characteristics in three critical areas: when filling vacancies from its existing establishment of owner/managers, e.g. pub changes when recruiting, and when engaging with them on development or change initiatives. This new information provides an opportunity for competitive advantage to be gained in the way that the Parent Co undertakes the development of its tenanted pub retail business. The approach, if adopted, will be unique and difficult to copy within the tenanted pub sector. The approach is, however, capable of being 'transferred' (Gomm et al, 2000) beyond the confines of the Parent Co to other tenanted pub companies or similarly organised businesses characterised as parent businesses having an arm's length relationship with distribution outlets that carry their brand identity.

Moving to future research, there is an opportunity to explore in greater depth the apparent lack of financial acumen and planning within at least two of the categories identified within the study. The risks to these businesses through these skill shortages are significant, and understanding this and proposing interventions to address these specific issues would be valuable. This study progressively focussed upon 'professionals' and 'positive traditionalists'. The data therefore on the other categories of owner/manager identified are less complete. Further studies should seek to understand these other categories in greater detail

seeking to understand whether the intervention developed through this research could deliver rapid change and improvement for them. This further data would again be powerful in both the academic and practitioner worlds' as it would involve performance change in a seemingly more difficult sample groups.

This limited study also introduced some doubt around academic and popular definitions describing the most entrepreneurial of people as being the most fiercely independent. Also, much entrepreneurial research takes as its focus 'great man' or 'great woman' theories and attempts to identify the one-by-one characteristics of entrepreneurs. This research suggests a more complex worldview linking to emphasis within the 'individual's' value system.

With all sample groups, it would be of further use, as suggested above as a limitation, to triangulate stories and accounts of behaviour of owner/managers with those of their staff. This would undoubtedly bring further insights and strengthen the research/intervention model still further.

## **OVERVIEW OF THE LITERATURE**

The literature review is presented in chapter 2. However, key emergent themes are detailed below. This is supplemented by figure 1.2 which provides an illustrative but not exhaustive summary.

The literature reveals much in relation to personal values (Fernandez and Hogan, 2003; Finegan, 2000; Rokeach, 1973; Rokeach, 1968) and the critical role they play in the way an individual will think about and approach situations they encounter in their lives. Owning and managing a small business is such a situation and relates to personal values in the following ways:

Personal values grounded in the psychological discipline Rokeach (1973) have a role in all walks of human life and human thinking. In the context of small businesses these values will either consciously or unconsciously influence the way in which the individual owner/manager will develop their business. Indeed, in a small business, the role of personal values may be more pronounced and relate to the level of personal, financial and emotional investment that the individual owner/manager contributes to the business venture.

Personal values are directly linked to employee involvement, motivation and retention through such matters as openness, honesty, trust, respect and fair treatment (Sankar, 2003). They can improve customer service performance Clark (2002) and deliver overall competitive advantage Davidson (2002).

The literature builds further on the theme of employee involvement when exploring the role of leadership, and highlights an interesting dynamic between leadership style and leader personal values identified by Wiener (1988). This notion has implications not only for how individuals choose to develop their businesses but also for a Parent Co that may have businesses. For example, in a turnaround situation that may require an owner/manager with a different leadership style whilst turning the business around and re-establishing it, as opposed to the leadership style required once it is re-established. This relates to the individual's overall competence, understanding and drive as a businessperson - emergent themes within the entrepreneurial literature. Here, matters of personal values, strategic intensity and the willingness of the individual to incur personal cost to grow and develop the business are highlighted. The literature goes on to identify links to the way in which an individual chooses to organise people within their business and the extent to which they set themselves strategic goals or success factors. Personal values and behaviours are synonymous, and the entrepreneurial domain identifies the following behaviours that entrepreneurs are likely to display: a preparedness to incur risk, both personal and financial, a willingness to challenge orthodoxy and a willingness to be more innovative around the role of their business. These individuals are also identified as being

inclined to think beyond the immediacy of their current business situation, looking and seeking further development opportunities. Picking up on these themes the following definitions were used in this area to inform the development of the study.

There are obvious difficulties within the literature in regard to defining the entrepreneur. The following definitions do however seem to capture the essence of entrepreneurial behaviour as, "someone who exploits an invention or technology in an environment in which adventure and risk are inherent" (Hamilton and Harper, 1994p3). "An entrepreneur is a person who spots a new opportunity and is minded to act on it and start something" says Thompson (1999) who goes on to argue that "entrepreneurs are people who show initiative, imagination, creativity and flexibility". These definitions within the specific context of owning and managing a tenanted pub are somewhat tempered because the owner/manager does have the support of the parent organisation, thereby limiting some of the potential risk. They are nonetheless exposed to a highly competitive external market and contribute their own financial capital, time, ideas, energy and enthusiasm towards the success of their enterprise. In this way they do broadly meet a number of the criteria for defining an entrepreneur.

The type of businesses being studied within this research means that, by their very nature, they are almost exclusively owner/managed. These owner/managers will have varying reasons for adopting and choosing a career path that sees them being their 'own boss' and choosing to generate income and personal wealth in this way. However, owning and managing a tenanted pub, essentially being a pseudo employee, may not meet with purist definitions of an entrepreneur as suggested in the following extract by Beaver (2003a).

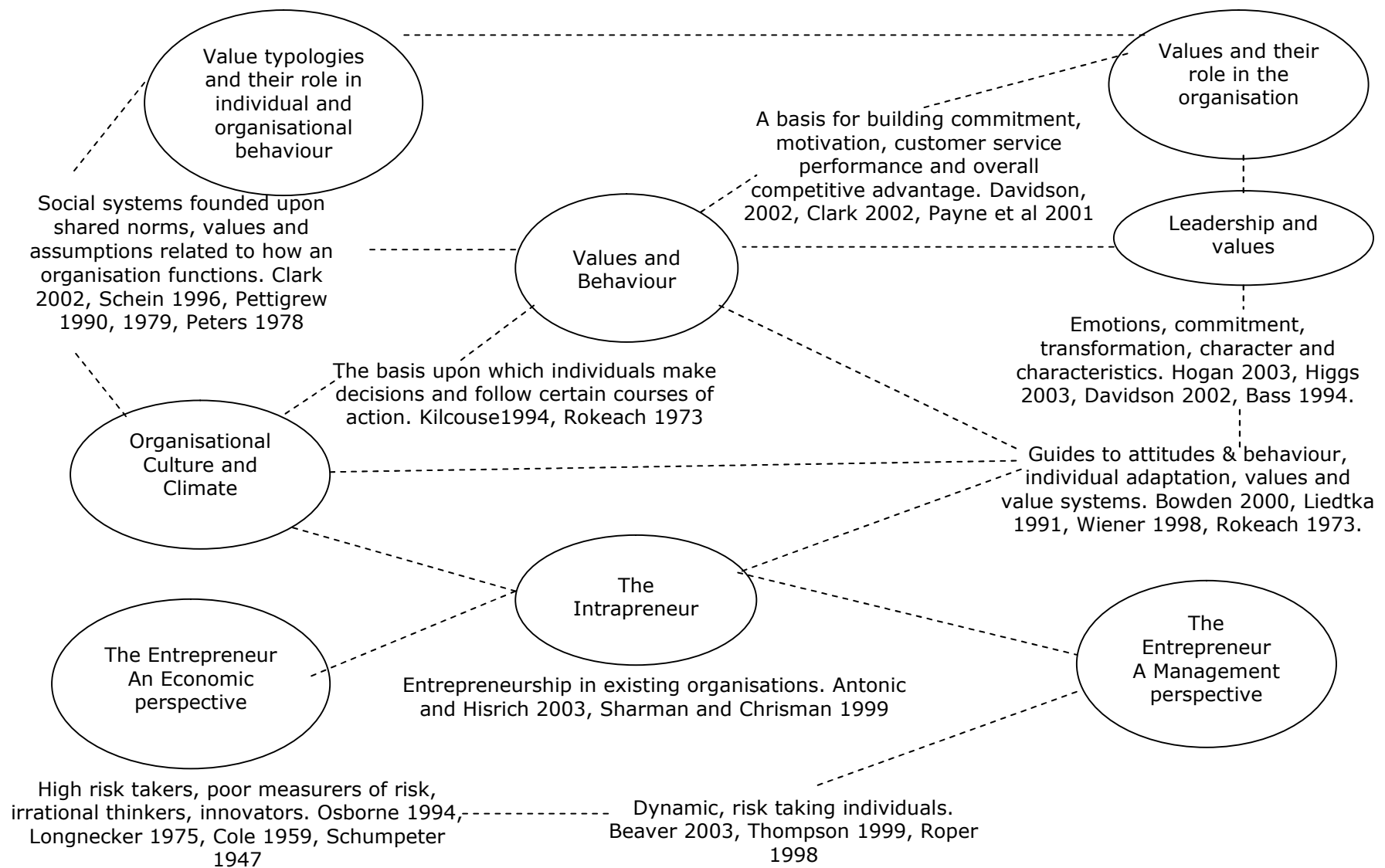
"An important conceptual distinction is made between entrepreneurs and owner-managers. Discussion of the small firm by academics, policy makers and others frequently uses the term 'entrepreneur' very loosely and invariably as a synonym for 'small business owner'. The term 'entrepreneur' is a halo term and a flattering and glamorous label. The term is positively charged and its attachment to any activity invests with it all the cultural meanings and approval to be found in a society that values the formation and development of economic activity and the accompanying difficulties that have to be overcome. Such a label is often attached to activities that on close inspection are quite prosaic. The great majority of those who start, buy or inherit a small firm should not be seen as 'entrepreneurs' in any strict meaning of the term." a view also supported by Brereton (1974).

However, in the context of this research, it is segmentation based upon individual personal values and management behaviours that distinguish individuals who seem to be displaying entrepreneurial and enterprising characteristics. The research is deliberately not targeting all pub

owner/managers and therefore does not classify them all as homogeneous and all exhibiting entrepreneurial behaviours. This approach indeed supports the perspective of (Beaver, 2003c; Brereton, 1974).



**Figure 1.2 Illustrative summary of the literature**



owner/managers, their staff and the researcher to be compromised. It was therefore decided not to pursue this further level of data collection.

The research was carried out only in a single regional brewer that may have a population of pub owner/managers who display unique characteristics through being based solely in East Anglia or through being associated with a single Parent Co. However, the methodology and case study method used is consistent with working with small samples where deeper and richer data is collected. The approach is auditable, despite being a reflection of 'moment in time' answers to questions by respondents. However, if the methods and protocols were followed in full it is reasonable to expect similar results should the research be conducted again.

The research project has proved to be enlightening and has revealed a remarkable consistency of language amongst individual owner/managers in the way that they describe the values supported and fulfilled by owning and managing a tenanted pub. The categorisation arising from the analysis provides new information on how owner/managers' personal values relate to management behaviours and ultimately to public house performance. This in turn provides an insight and highlights the opportunity to develop interventions to handle the many behavioural inconsistencies identified within the study utilising a framework derived from words already articulated to describe values and seen as relevant and familiar by each category of owner/manager.

The categorisation of 'owner/manager' provides the opportunity for a Parent Co to consider and use these characteristics in three critical areas: when filling vacancies from its existing establishment of owner/managers, e.g. pub changes when recruiting, and when engaging with them on development or change initiatives. This new information provides an opportunity for competitive advantage to be gained in the way that the Parent Co undertakes the development of its tenanted pub retail business. The approach, if adopted, will be unique and difficult to copy within the tenanted pub sector. The approach is, however, capable of being 'transferred' (Gomm et al, 2000) beyond the confines of the Parent Co to other tenanted pub companies or similarly organised businesses characterised as parent businesses having an arm's length relationship with distribution outlets that carry their brand identity.

Moving to future research, there is an opportunity to explore in greater depth the apparent lack of financial acumen and planning within at least two of the categories identified within the study. The risks to these businesses through these skill shortages are significant, and understanding this and proposing interventions to address these specific issues would be valuable. This study progressively focussed upon 'professionals' and 'positive traditionalists'. The data therefore on the other categories of owner/manager identified are less complete. Further studies should seek to understand these other categories in greater detail

seeking to understand whether the intervention developed through this research could deliver rapid change and improvement for them. This further data would again be powerful in both the academic and practitioner worlds' as it would involve performance change in a seemingly more difficult sample groups.

This limited study also introduced some doubt around academic and popular definitions describing the most entrepreneurial of people as being the most fiercely independent. Also, much entrepreneurial research takes as its focus 'great man' or 'great woman' theories and attempts to identify the one-by-one characteristics of entrepreneurs. This research suggests a more complex worldview linking to emphasis within the 'individual's' value system.

With all sample groups, it would be of further use, as suggested above as a limitation, to triangulate stories and accounts of behaviour of owner/managers with those of their staff. This would undoubtedly bring further insights and strengthen the research/intervention model still further.

## CHAPTER TWO - LITERATURE REVIEW

### **Values and behaviour**

At an individual level, human values are the basis upon which we make decisions and follow certain courses of action. They are unseen, but the consequences of them are felt personally, particularly when our own personal values are challenged. On a much wider scale, dramatic consequences are felt when shared values across sections of society are challenged, evidenced by the civil rights movement in 1960s America, the poll tax riots in the UK during the late 1980s and close to one million people marching in London against the impending attack on Iraq in 2003. Almost daily news media and political discourse bring stories to the fore that challenge or support these wider societal values. The following statement further substantiates the unique role of values in human cognition:

"As even a fleeting acquaintance with motivational theory tells us, people are not generally moved by cynical self interest. What brings them on to streets, makes them dig into their pockets, causes them to take serious risks and bring down governments is a nobler set of feelings, like compassion, love of freedom, a sense of fairness and loyalty. Indeed firms depend on these finer values, loyalty and honesty in particular." (Kilcourse, 1994 p:38)

Values are said to have a distinct role in society and Rokeach (1973), in quoting others, identifies values as 'multifaceted standards' that inform and guide individual behaviour in a number of different ways. They inform and guide how we present ourselves to others, how we evaluate situations, how we compare ourselves to others both morally and from a competence perspective, and, as individuals or groups of individuals, we also use them to persuade and influence others to a certain way of thinking and acting. It is in these contexts and the extent to which a relationship between personal values, management behaviour and differing levels of pub performance exist that form the basis of this thesis.

### **Values and their role in the organisation**

The values literature has within it an organisational perspective attempting to understand the relationship between values and the way in which an individual business conducts itself. The literature argues that organisations that adopt values and behave in a 'values-driven' way believe commitment and motivation of employees, customer service performance and customer retention are all improved (Clark, 2002; Finegan, 2000; Beatty, Gup and Hesse, 1993). This in turn is believed to improve the long-term financial health of the organisation (Payne, Holt and Frow, 2001). This valuable research has been conducted over several years in larger organisations and raises the interesting question as to whether this phenomenon is so in smaller businesses where a more direct

link between personal values, management behaviour and business performance might exist.

Building on the above, some scholars and practitioners are seeing a 'values-driven' approach to business as another means by which an organisation can secure and express competitive advantage. Davidson (2002) in his book the *Committed Enterprise*, expresses this in the following way when explicitly referring to the role of values within organisations. "Competitive advantage is achieved through people and attitudes, and it is extremely difficult to copy. Hard values ensure that results are achieved in the right way so that future franchise is strengthened" (Davidson, 2002 p:126). In thinking about this, and relating it to the development of values in the tenanted pub setting, it is first necessary to understand what constitutes a value and how they are developed and sustained.

In effect Davidson (2002) is arguing for an organisation to develop its relationship far beyond that of more normal employer/employee arrangements. As a result he suggests a deeper psychological contract (Rousseau, 1995) with employees is developed where underlying assumptions, norms of behaviour and beliefs converge to such an extent that the organisation derives competitive advantage. A psychological contract can be defined as – the individual's beliefs about mutual obligations, in the context of the relationship between employer and employee (Rousseau, 1995). Put another way the taken for granted realities and assumptions between employer and employee (Edwards and Karau, 2007; Raja, Johns et al, 2004; DelCampo, 2007; Rousseau, 1995).

Human cognition and psychology are large and complex literatures in their own right and beyond the scope of this review. However, Rokeach (1973) identifies personality as antecedent to human values. Given this it would seem appropriate to acknowledge the personality traits of neuroticism, extraversion, agreeableness, conscientiousness, openness to experience and locus of control (Kristof-Brown, Barrick and Franke, 2002; George and Zhou, 2001; Caligiuri, 2000; Judge and Cable, 1997; Rotter, 1966) and the potential for these phenomena, values and personality traits, to mutually reinforce their influences over behaviour. Locus of control (Rotter, 1966) may indeed be particularly relevant as this study develops in the way that it relates to the extent that individuals feel they control events in their lives. Rotter, (1966) defines individuals as having either an *internal locus of control* or an *external locus of control*. He differentiates them in the following ways. Internals are those who believe they are masters of their own fate and therefore are confident, alert and directive in attempting to control their world. They perceive a strong link between their actions and subsequent consequences. Externals are those who believe they do not have direct control of their fate and perceive themselves in a passive role with regard to their external environment. These matters are relevant as this study has at its centre a series of complex relationships between owner/managers and a 'parent co'.

Extensive and early work was undertaken in the field of human values by the psychologist Milton Rokeach (1979; 1973; 1968; 1967) and he seems to provide some of the classic thinking in this area. In his work throughout the decades in America, he describes values as "guides and determinants of social attitudes and ideologies on the one hand and of social behaviour on the other" (Rokeach, 1973 p:24). Underpinning his work lie a series of five assumptions: values are few in number; individuals possess similar values in varying degrees; values are organised into a value system; the antecedents of values are society, institutions and personality, and the consequences of values are manifested in virtually all phenomena, Rokeach (1973). The work of Rokeach provides a strong indication that human values will exist in some form in the cognition of individual owner/managers and, to further this line of inquiry, it was necessary to explore the literature more deeply to understand different types of human value and the relationship of these different types of value to human behaviour.

### **Value typologies and their role in individual and organisational behaviour**

As stated earlier, the psychologist Milton Rokeach conducted extensive research into human values during the 1970s and much subsequent work builds on his initial findings (Fernandez and Hogan, 2003; Kabanoff and Daly, 2002; Meglino and Ravlin, 1998; Gordon, 1996; Posner and Schmidt, 1993; Posner and Schmidt, 1992; Davidsson, 1991; Wiener, 1988). Ostensibly, key themes emerging from these studies are: an identification of values as the basic principles which guide attitudes and behaviour; as a phenomena which guide individual adaptation to the surrounding environment; and as differing personal constructs with the potential to cause conflict. To illuminate this further, and to illustrate where individual internal conflict might occur, Rokeach (1973) proposes a definition of a value as 'an enduring belief that a specific mode of conduct or end-state of existence that is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence.' (Rokeach, 1973p: 5). He also identifies values as being few in number. Recognising that different types of values exist is an important consideration for academics, management researchers and practitioners. The literature suggests that different types of values influence behaviour and manifest themselves differently dependent upon their emphasis within the individual's 'value system' defined by Wiener (1988) as a 'clustering' and 'prioritising' of values that an individual undertakes as part of their everyday human thinking processes.

It is suggested that conceptually values then further break down into only two types: instrumental values, where behaviour is informed by values towards a desired outcome; and end-state values or as they are sometimes referred, terminal values, where the desired outcome is the thing which is valued (Wiener, 1988; Rokeach, 1973). Rokeach does

however go further by subdividing instrumental values into morality based and competency based values and terminal values into social and personal values. In an organisational or small business context, it would seem necessary to consider the role of both types of value. However, in the institutional or large organisational setting one would expect to find a stronger weighting towards instrumental values as this type of organisation primarily uses values and value systems to guide and inform the behaviour of its members (Sullivan, Sullivan and Bufton, 2002; Bowden, 2000; Meglino and Ravlin, 1998; Enz, 1988). This is not, however, to lessen the role of terminal or end-state values as indeed, at the individual level and particularly in relation to the small business owner/manager, end-state values could almost certainly carry a super-ordinate role over instrumental values as they represent a desired future outcome, leaving instrumental values to contribute to the achievement of that desired future outcome by instructing and influencing behaviour (Wiener, 1988).

The notion of these different value types, instrumental and terminal values, is built upon further by Wiener (1988) identifying a further subset of value types around elitist and functional values (see figure 2.2). Functional values, on the one hand, are defined as being concerned with conduct, focussing in particular on the style, mode of operation and outcomes such as quality, customer service and innovation. These values are likely to be positive in nature and comprise explicit guides for behaviour. Elitist values on the other hand are defined as being concerned with the relative standing of the organisation or business itself, in particular looking at the role of the organisation, its products and its people in the wider world. Comparisons with others are a feature of *elitist values* and they can perform much more of a motivational role. Values of this type (elitist) are likely to generate feelings of pride and passion within the organisation and form part of the motivation that drives the ambition of the organisation or business.

Behaviour at both an individual level and an organisational level are key components of values research, and values occupy a unique place in our thinking in this regard. Fishbein and Ajzen (1975) view social values as informants of behaviour and recognize that they may indeed act as in-built guides to norms of behaviour, and that this behaviour may even be strong enough to be independent of the effect of rewards and punishments Wiener (1982). The literature is suggesting, in effect, that values have an intrinsic quality and relationship with individual behaviour that can override extrinsic motivators such as monetary gain.

A number of scholars in the field underpin much of their work consciously or unconsciously with the work of Milton Rokeach (Fernandez and Hogan, 2003; Fernandez and Hogan, 2002; Meglino and Ravlin, 1998; Wiener, 1988; Peters and Waterman, 1982) and from these underpinnings, research develops out in a number of directions and becomes diffuse. With something as close to human thinking and reasoning, there is, it

seems, no right or wrong way to develop or indeed construct a view of values, but there does seem widespread agreement as to their fundamental role in informing behaviour and the relationship of this role to the dynamics of human interaction.

Many studies examine values from a purely quantitative perspective (Hood, 2003; Kabanoff and Daly, 2002; Finegan, 2000; Akaah and Lund, 1994; Posner and Schmidt, 1993; Posner and Schmidt, 1992) often using a questionnaire or similar instrument to ascertain an individual's preference for a particular value. The responses are then subjected to detached statistical analysis often with the results being orientated towards abstractions that potentially lose some of the richness and meaning expressed in individual responses. This approach is useful for comparison work in large samples but it does miss the 'richness' provided by looking at values at an individual level. Indeed, Schein, in his work on organisational culture highlighted that "much cultural research puts a premium on abstractions that can be measured rather than on clinical observation or ethnographic observation of organisational phenomena". He went on to argue "some researchers are simply not seeing what is there and this is particularly dangerous when one is dealing with a social force that is invisible but very powerful" (Schein, 1996p: 229). The literature certainly identifies values as an unseen but powerful force and legitimises examining values from alternative perspectives.

Building on this critique further there are some weaknesses in the positivist approach and these typically fall into three areas. Firstly as discussed earlier, a number of studies attempt to understand values through measurement and the use of instruments to enable a population of respondents to rank or score values according to their preferences. Statistical methods are then used to draw responses towards a homogeneous central position. This is a reductionist process and, indeed, if one takes a purely statistical perspective, it could well be the outliers in the sample, those respondents at the extremes, who may provide much of the richness and most interesting views.

Further supporting the role of qualitative research in this field (Hatch, 1993p: 663) identifies that "values are not experienced one by one", suggesting they are experienced as a 'gestalt' meaning that whilst it is possible to look at and answer questions concerning values on a one-by-one basis, it establishes a false position because values are experienced by humans in a much more holistic all-encompassing way. This is also likely to be the case for the related and unseen forces of such phenomena as organisational culture and climate where, as human beings, we will perceive and experience things in a much more rounded way as opposed to a linear event-by-event process. It would therefore, from this perspective, be potentially difficult to obtain reliable results by only ranking values individually. Indeed, (Liedtka, 1991 p: 543), in her work on values and decision making identifies managerial mindsets and talks of how values based decisions are "influenced not only by personal values



but also by the perceived values of others to whom the decision-maker feels obliged to respond". This further questions whether values can be ranked and measured in a traditional way owing to this deeper, richer and potentially, as identified in this instance, more politicised context.

The second area of weakness is that, almost universally, these studies have been carried out amongst sample management populations in corporate or business school settings and contexts. Whilst the responses and insights provided by these sample groups are valid they do only provide a management perspective on any given organisation and the consequences of its values. Organisations of all shapes and sizes are made up of more than just the sum of its management team and, as such, the opinions of front-line staff, customers, shareholders, suppliers and the communities in which the organisation operates are an equally compelling group, but they are of course a more difficult sample group to access. These groups will experience organisational values in a completely different way and experience the organisational culture from a different perspective from any management population. There is little doubt, based upon the evidence provided by the literature, that organisational culture is informed and is an informant of values. A number of insights within the literature are acknowledged particularly with regard to the value congruence model of Liedtka (1989) that identifies the potential for dissatisfaction should contention be experienced between the organisation and individuals.

The third area of weakness is in the area of small businesses and, in particular, looking at values from the unique perspective that sees property ownership and business ownership separated through a legal relationship such as a franchise agreement or a tenancy agreement. Further complexity is added to this situation if the Parent Co wishes to see its own organisational and brand values represented in its network of retail premises.

The relationship between values and the organisation is a fundamental concern for both the management research and the practitioner worlds because of their powerful but unseen relationship with organisational performance at many levels. The following section of this review highlights this and deals with values and their interdependent relationship with other organisational theories. Before moving to the next stage of the literature review the definitions arising from this section and used as reference points within the thesis are:

- Human values are few in number (Rokeach, 1973)
- Antecedent to values are society, institutions and personality (Rokeach, 1973)
- Instrumental values (Wiener, 1988; Rokeach, 1973) inform behaviour towards a desired outcome and therefore are more likely to be informants of day-to-day behaviour.

- Values are not experienced one by one but are experienced in the 'gestalt' being perceived as a whole not merely as a sum of their parts (Hatch, 1993)

The work of Rokeach (1973) has been selected from the review because of the use of multiple samples, large in size, over a number of years, and because of the enduring and widely accepted nature of his work in informing research and development by many subsequent scholars. It is accepted that the work is quantitative in nature but is still felt to be relevant because of its seminal nature at the time it was completed, and because it has informed many studies on both sides of the quantitative/qualitative debate. The work of Hatch (1993) is considered further within the study to demonstrate and illuminate the thinking and reasoning behind the adoption of the qualitative methodology.

## **VALUES AND ORGANISATIONAL CULTURE AND CLIMATE**

### **Organisational culture**

Many people have attempted to describe organisational culture. However, Blau and Scott (1962) were early post-war authors who suggested that organisations consist of formal and informal dimensions and argued that it is not possible to know and understand the workings of an organisation without a thorough knowledge and understanding of the informal dimensions of its character. It was towards the late 1970s that discussion and analysis of this informal dimension of organisational culture entered the field of organisational behaviour through Peters (1978). This initial work led to extensive work on the role of shared values in organisations and whilst much of the Peters and Waterman (1982) work has subsequently been the subject of criticism, it did undoubtedly serve to bring the subject of values and their role in organisations into mainstream consciousness. The work was concurrent with work by Pettigrew (1990; 1979) who argued that organisational cultures are human systems which explain how individuals within them think, reason and make decisions. He also goes on in his work to recognise the fundamental role of values within this human system and suggests that the system is founded upon an intricate set of values, assumptions and beliefs. There is an assumption that this remains true in any organisation, irrespective of size although much research into the culture of organisations has been carried out in much larger organisations than those featured in this study. Closely related is the relationship between leadership behaviour and values (Arlow and Ulrich, 1988) and this is relevant across organisations of all disciplines and dimensions (Vitell and Festervand, 1987; Brenner and Molander, 1977). There are many definitions of organisational culture that are too numerous to identify and list within this review. However, in the context of the methodology being used and with the principal interest of the study being personal values and their relationship with management behaviour,

the following description will be the working definition of organisational culture used within the remainder of the study.

- Organisational cultures are social systems founded upon shared norms, values and assumptions and relate to how an organisation functions (Schein, 1996)

The work of Edgar Schein, (1996) was selected to provide the definition of organisational culture because running throughout it are the themes of shared norms, values and assumptions. The work also argues strongly for a qualitative approach. Grounded in organisational studies of the 1970s the work has an enduring quality and examines culture from a number of perspectives.

Some of the businesses involved in this study can be defined as small or micro businesses. In this regard it was felt appropriate to take account of this and explore the dynamics of organisations at a still finer level than that of organisational culture.

### **Organisational climate**

Organisational climate has been the subject of numerous empirical studies over the years (Clark, 2002; Anderson and West, 1998; Joyce and Slocum, 1984; Downey, Hellriegel and Slocum Jr, 1975). At a more micro level than culture, and perhaps more appropriate to the small business or pub environment, organisational climate deals with the specific localised environment where individuals, teams and workgroups go about their day-to-day activities. Despite extensive work in the field, organisational climate does still face difficulties as to how it should be defined. However, two approaches seem to have more widespread acceptance, firstly an approach that takes the individual's construct of his or her work environment and, secondly, an approach that takes a shared view or interpretation by a team or work group of the environment, a group view of 'how things are around here'. Clark (2002) conducted a study in a major UK retail bank looking at the relationship between employees' perceptions of organisational climate and customer retention rates on a branch-to-branch basis. The work identified that in branches where employees perceived a positive organisational climate, this was related to high customer retention rates. However, in branches where a less positive climate prevailed, the customer retention rates were lower. The work supports a view that social, organisational and situational influences can determine behavioural outcomes. If an analogy is drawn between the retail bank branches and a tenanted pub retail business there is reason to suspect similar behaviours and outcomes might exist.

It would seem that dominant values have a role in these circumstances as they contribute to an individual's or workgroup's frame of reference, helping them to make sense of the local environment. These perceptual conditions then determine where employees focus their attention and

energies and thereby, through iterations, create a self-reinforcing climate that could be supportive or unsupportive of the goals and objectives of the business. There exists a substantial body of work suggesting that organisational culture and climate have a fundamental role in shaping employees' perceptions regarding the organisation and how it works. Within the area, a number of authors recognise the role that values play in shaping culture and climate, and go on to discuss the relationship between these phenomena and business results. The following definition of organisational climate was used as the thesis progressed.

- Organisational climate operates at a more micro level than culture and consists of the forming of a shared view or interpretation by a team or workgroup of their localised work environment based upon events, practices, procedures and behaviours that get rewarded, supported and expected in a setting (Clark, 2002).

The relationship between personal values, management behaviours and business performance is a critical theme within this study. Earlier definitions have linked organisational culture with values, and related these phenomena to the conditions under which cultures develop and are maintained. The work of Clark (2002) takes the more micro concept of climate, a concept that may be more applicable to the small and micro businesses involved in this study, and examines the relationship between employees' perceptions of organisational climate and customer retention. Customer retention is a measure of business performance and has been related to how people within an organisation perceive certain conditions and ultimately act based upon those perceptions. A number of dimensions related to customers will be examined within this study and therefore the work of Clark (2002) is likely to be informative.

Making sense of these phenomena and pulling all these relationships together in a coherent and meaningful manner that makes sense to all stakeholders is the role of the leader and leadership, and its relationship to values provides the final part of this review.

### **Values, leadership and entrepreneurship**

Leadership is often credited with being the central theme within the organisational behaviour domain, particularly with regard to changing organisations Higgs (2005; 2003) and is seen as the principal power or determining factor in organisational events or occurrences (Meindl and Sanford, 1987). It therefore carries a heavy responsibility in terms of the management of meaning and of symbolism within the organisation. These matters inform culture and, in examining culture, the role of leadership and its relationship to values needs to be considered and is indeed highlighted by (Hood, 2003; Fernandez and Hogan, 2002; Jung and Avolio, 1999; Schein, 1996). Scholars on a number of fronts are seeking to link a value orientation in a leader to previously identified leadership styles; such as, transformational/charismatic or transactional/traditional in

an attempt to classify a values orientation with a certain type of leadership behaviour. Indeed, this notion is developed further with depth being added through looking at combinations of values and leadership styles namely traditional and charismatic leadership (Conger and Kanungo, 1987) linking them with value typologies functional and elitist in a two-by-two matrix in an attempt to predict organisational outcomes (Wiener, 1988). From this work the following types of value system emerge: functional-traditional, elitist-charismatic, functional-charismatic and elitist-traditional, providing the opportunity to map value systems and leadership styles as determinants and predictors of organisational behaviour. This is illustrated diagrammatically in figure 2.2.

**Figure 2.2 – Classification of value system**

		Source and anchoring of values	
Focus of values		Organisational tradition	Charismatic leadership
	Functional (instrumental)	Functional-tradition	Functional-charismatic
	Elitist (terminal)	Elitist-traditional	Elitist-charismatic

An adapted classification of types of value systems based on focus and source of values (Wiener, 1988).

Others have attempted to encode different types of value systems. Jacobs (1988) and Berne (1964) discuss this in the context of fundamental behaviour patterns which are consolidated in the first seven years of life and determine a *life script* that maps out subconsciously how the individual will react in certain situations without even being aware of its influence (Stewart and Joines, 1987). It is also tentatively argued by Hebel (1999) that human values have a *historic* perspective and survive through generations regardless of social conditions and that this perspective is underpinned by an enduring narrative that is supported symbiotically by society ensuring the value system survives. These are interesting views on the development of value systems but do somewhat limit the role of the individual as a thinking and reasoning entity able to discern right from wrong in this context. Indeed in regard to the historic perspective - it may be that the values that endure – just make good sense. Given the early origins of values a further proposition regarding value systems and their development is that they arise as *family based* systems and are developed as a parallel system in the workplace by

individuals (Manuel, 1996). Within the organisational domain other scholars argue from the position that the founder and his or her values have a profound relationship with how values within the organisation are developed. This *founder based* system lies at the heart of *leader based* value systems popularised by Peter and Naberman (1982) and further developed by Davidson, (2002).

Whilst this work is informative, Wiener (1998) does go on to identify these typologies as "a simplification of a complex subject area where neat or perfect classifications are impossible" (Wiener, 1988p: 539). This is an emerging perspective on the complexity of such matters and is thinking that concurs with the findings of Hatch (1993), who discusses the way in which values are experienced in the 'gestalt'.

Work by Hood (2003) builds on earlier work by Rokeach (1973) and takes his value typologies social, personal, competency and morality based; and links them to other leadership dimensions. In particular, sub-dividing terminal values into social values, linking the individual with society, including such matters as concern for the welfare of others and personal values, which include honesty, self-respect, courage and broadmindedness. Instrumental values on the other hand are divided into morality-based, concerned with the interaction the individual has with others, and competency-based, related to logic and overall managerial competence. Hood (2003) in a quantitative study amongst CEOs of small to medium-sized firms throughout the USA revealed a strong relationship between a transformational leadership style (Bass, 1994) and Rokeach's value typologies, providing an indication that 'value based leadership' is related to a certain leadership style. The role of values and their relationship to leadership is highly relevant (Davidson, 2002). Hood (2003) suggests value-based leadership has begun to emerge as a theory in its own right. This is defined as a relationship between a leader and one or more followers based upon strong internalised ideological values espoused by the leader, and the strong follower identification with and sharing of these values (House, 1999).

Value-based leadership does seem to have become more widespread in the literature, and its role in the development of leadership in organisations and its relationship to organisational culture is beginning to be recognised (Mobley, 1998). Further propositions regarding value-based leadership were largely supported by a body of work undertaken in Australia during 2003 where the authors, Meng et al (2003), looked at the relationship between value-based leadership and subordinate commitment, effectiveness, motivation and satisfaction. Their study amongst 40 Australian CEOs and 159 of the CEO's subordinates revealed that collectivistic, inspirational, high integrity and visionary behaviours within the value-based leadership model were supported and had a positive relationship to subordinate commitment, effectiveness and satisfaction.

In developing the values-based leadership model, values need to be brought to life by business leaders and lived by everybody; otherwise they become little more than good intent. The responsibility on the leader of the business includes not only talking about values; they must also be seen to live them (Stephenson, 2004). Behaviour, particularly amongst the senior team, whatever the size of the enterprise, is crucial in setting the standard for others to follow. Davidson (2002) supports this view suggesting that "Behaviour is one of the most important communicators of values, especially those affecting people, quality and integrity" (Davidson, 2002p: 156). This is likely to be more pronounced in the smaller organisation where there exists a very visible and direct relationship between the leader of the business their staff and customers. This is encapsulated in the following quote. "The character of the leader is grounded on such core values as integrity, trust, truth and human dignity which influence the leader's vision, ethics and behaviour" (Sankar, 2003p: 45). It is evident, particularly in a values-driven environment, that if the leaders of a business are to lead with credibility and trust, the behaviours displayed by the leader or leaders must be consistent with the values being espoused. This behavioural consistency extends beyond words or walking the talk, into artefacts and symbols that the leader chooses to surround themselves with (Dolan and Garcia, 2002). Sankar (2003) identifies that leaders can have a charismatic personality but a corrupt character. They could be charming, inspirational, dynamic, magnetic and glamorous but if their core values are based upon greed, egoism and power abuse - this will ultimately show through. Within a values-driven, small business environment it is important that there is alignment between what the leader of the business is asking from their people and the conduct they themselves display. In this context, although leadership has been the subject of many years of research, there does seem to remain a lack of agreement on the behaviours that constitute leadership. Early studies identified relationship-orientated behaviour and task-orientated behaviour and then went on to identify concern for people and concern for production (Yukl, Gordon and Taber, 2002) quoting others: (Blake and Mouton, 1982; Halpin and Winer, 1957; Fleishman, 1953). Subsequently, contemporary researchers have identified transformational and transactional leadership (Kanungo, 2001; Bass, 1999) and charismatic and traditional leadership (Kirkpatrick and Locke, 1996; Conger and Kanungo, 1987). In many ways these ideas are different sides of the same coin where behaviour is centred either on people and relationships or on the task at hand. In the values-driven environment it is behaviours centred on people where leadership attention is focused highlighting concern for people, with transformational and charismatic leadership as the behavioural characteristics where values-based leadership seems most likely to flourish. Collins and Porras (1996) argue that, in building excellent, visionary organisations leaders' need 1 percent vision and 99 percent value alignment.

It is important to recognise, when implementing values based leadership processes, the leaders of businesses are in effect designing the culture of

the company using shared beliefs and values as the framework upon which the organisation builds its strategies and plans for the future (Dolan and Garcia, 2002; Cowan and Todorovic, 2000). Managed appropriately, this values-based approach "projected externally by the business through its publicity and other media of communication serves to create customers' confidence and bring them closer to identify with the company" (Dolan and Garcia, 2002 p:112). This communication of values could indeed serve to inform not only customers but also other stakeholders in the company and it facilitates the organisation, building a competitive positioning based upon reputation, trust and support.

The concepts discussed above are understandably being promoted and researched within large corporates with sizeable management populations. The concepts are, however, equally compelling and applicable to smaller businesses where competition to retain and develop staff, build customer loyalty and achieve financial success are no less intensive. Indeed, the current economic and employment landscape continues to place pressure on how businesses structure, motivate and retain their workforces (Cappelli, 1999; Hutt, 1998) and remains a key issue for small businesses as they attempt to attract and retain people - a particularly acute issue within the pub/leisure sector. Work by Lester et al (2001) identifies open and honest communication, trust, respect and fair treatment as amongst the principal drivers of employee satisfaction. These principal drivers could all be deemed to be values and related to the way in which the business engages with, and treats its employees.

An extension of leadership in this context and particularly relevant to the study of small business has been attempts to define individual characteristics and motives of entrepreneurs. These studies have looked at the subject matter from a number of different perspectives such as industry sector, age, gender, geography, firm size and personality (Cromie, Callaghan and Jansen, 1992; Shaver and Scott, 1991; Gartner, 1989; Cooper, Woo and Dunkelberg, 1988; Hisrich and Brush, 1985). Emergent from the studies are a number of definitions as to what constitutes an entrepreneur, encompassing a number of behaviours such as: looking to grow the business quickly, growing and building reputation, gaining satisfaction from working closely with customers and employees, independence and well being. These are attributes that are consistent with a number of the individuals who choose to own and manage their own business in the form of a tenanted pub.

Gundry and Welsch (2001) looked at categories of women entrepreneurs in order to better understand patterns of business growth and considered ways in which entrepreneurs can be differentiated from other small business owners. In their 2001 study they identified strategies adopted by individual entrepreneurs and developed and tested a theoretical model that looked at the following behaviours: the way in which the entrepreneur organises their business, seeks out and develops new markets, new methods and new sources of supply. This they labelled as



the entrepreneur's 'strategic intention'. The next area identified was the level of single-mindedness displayed by the entrepreneur in working towards the growth of the business, identified as 'entrepreneurial intensity'. The third component of the theoretical model was in regard to 'opportunity costs' and relates to the level of personal investment, risk, sacrifice and penalty that the entrepreneur would be prepared to incur to ensure success. The fourth area that they identified related to how the entrepreneur chooses to structure the business and specifically focuses upon the organisational structures introduced. This was identified as, 'structuring the firm for growth' and closely related to further dimensions relating to financing 'start-up' and 'growth strategies' which consider the level of financial resource that the entrepreneur perceives as being required to achieve rapid growth. The final area of the model introduces the notion of 'strategic success factors' focusing on the entrepreneur's vision, market focus, concern for quality and concern for the reputation of the business.

An empirical study by Kotey and Meredith (1997), conducted in Australia, found that certain profiles of owner personal values correlated with certain strategic orientations. Their research looked to prove a relationship between personal values, business strategy and enterprise performance. They recognised weakness within their quantitative method in proving causality but did go on to assert that "more use should be made of personal values when considering development of the small enterprise sector" (Kotey and Meredith, 1997).

Leadership and entrepreneurship are, in themselves, broad and wide-ranging subject areas and it has not been possible to undertake an exhaustive review of all the literature here. However, the review has attempted to identify the critical concepts within both domains, and provides the opportunity to carry forward the following definitions and key literatures within the study.

- Leadership is the principal power or determining factor in organisational events or occurrences (Meindl and Sanford, 1987).
- There exists a relationship between values, leadership and organisational culture (Jung and Avolio, 1999; Schein, 1996) and others).
- Leadership subdivides into two or more categories based upon approaches to people and the task at hand and is identified as transformational or charismatic leadership where the focus is on people, or transactional or traditional leadership where the focus is on the task (Bass and Avolio, 1996).
- The behaviour of the leader, irrespective of the size of enterprise, is one of the most important communicators of values, especially those affecting, people, quality and integrity (Davidson, 2002).

The focus of these concepts and definitions is the relationship between the leader and people, with the behaviour of the leader as the essential component. The values of the leaders of small/micro businesses are fundamental to this study, as are their interactions with their teams. Therefore, it seemed appropriate to carry forward concepts and definitions based upon behavioural criteria. In regard to entrepreneurship, a study by Gundry and Welsch (2001) that looked at high-growth women entrepreneurs, is identified as introducing criteria appropriate to owner/managers within the tenanted pub sector. The quantitative study investigates the organisation of their businesses, the way in which they seek out new markets and new methods of operation, their single-mindedness, their willingness to incur opportunity costs, the structuring of their businesses for growth and their identification of strategic success factors. The work, whilst quantitative in nature, does cite examples of qualitative research and is well grounded in contemporary literature in the field.

It is also important to distinguish that not all activity associated with working for oneself is viewed as entrepreneurial. The following quotation although used earlier in this document comprehensively contextualises this issue. "An important conceptual distinction is made between entrepreneurs and owner-managers. Discussion of the small firm by academics, policy makers and others frequently uses the term 'entrepreneur' very loosely and invariably as a synonym for 'small business owner'. The term 'entrepreneur' is a halo term and a flattering and glamorous label. The term is positively charged and its attachment to any activity invests with it all the cultural meanings and approval to be found in a society that values the formation and development of economic activity and the accompanying difficulties that have to be overcome. Such a label is often attached to activities that on close inspection are quite prosaic. The great majority of those who start, buy or inherit a small firm should not be seen as 'entrepreneurs' in any strict meaning of the term" (Beaver, 2003c p: 178).

Whilst this work is essentially about the individual and the central nature that individual owner/manager plays in the outcomes of his or her business (Carland and Hoy, 1984). It is important not to ignore the comments of Beaver, (2003c) that some small business people are not entrepreneurs. This theme has been a focus amongst the small business literature whereby characteristics of the small business as an entity have been taken and attempts made to identify entrepreneurial characteristics working from the business back to the individual owner/manager. As with much academic discourse different perspectives are adopted and these typically fall into the deterministic domain: positivist in outlook and taking things such as market opportunity, strategy, financial resources and the nature of the external environment (Low and Abrahamson, 1997; Hodgetts and Kuratko, 1992). On the other side of the debate is the discussion that centres on individual characteristics within the context of the business. Here matters such as: motivation, (McClelland, 1987),

personality, (Chell and Haworth et al, 1991), capability, (Penrose, 1959) and intentionality, (Bird, 1988) tend to dominate. From these core components small business typologies are typically derived. In a real world setting the picture is more complex and the critical realist perspective adopted within this study affords the opportunity to recognise this and that the world external to the individual business will in some way influence the performance of the business. This acknowledged, it is the characteristic side of this debate that has most resonance with this study. Indeed Fuller and Lewis (2002) identify intention, values and identity as critical issues in their typology of small business relationships.

In the context of this research, behavioural segmentation based upon individual personal values and management behaviours that were identified in Project 1 distinguishes individuals who seem to be displaying entrepreneurial characteristics. The research is deliberately not targeting all pub owner/managers and therefore does not classify them all as homogeneous and exhibiting entrepreneurial behaviours. This approach indeed supports the perspective of (Beaver, 2003c).

## **Reviewing the literature**

The literature on entrepreneurs and entrepreneurship is significant and wide-ranging, adopting a number of different perspectives on the subject area. In popular folklore, there can be somewhat of a paradox as to how entrepreneurs are portrayed. On the one hand they can be seen as economic heroes succeeding against the odds, highly motivated and autonomous in action. Conversely, they can also attract negative connotations as 'robber barons' (Sexton and Bowman, 1985) who are greedy and egotistical in pursuit of power and acting in only their own self-interest. These somewhat simplistic views are expanded in the following overview of the literature.

## **An economic perspective**

Entrepreneurs have interested scholars for many years and indeed Adam Smith saw entrepreneurs largely in a passive role or as passive actors in events that would have happened anyway. From an economic perspective, economists display difficulties in understanding entrepreneurs, viewing them as high risk takers, poor measurers of risk and irrational thinkers, whilst also recognising, somewhat paradoxically from this initial standpoint, that most new ideas for products or services do not originate in big business (Longenecker and Schoen, 1975) but in the smaller more entrepreneurial firm. Early economic definitions of entrepreneurs are nonetheless helpful in positioning the role of this unique type of individual in society. The early economist, J B Say, saw entrepreneurs as "the economic agent that combined others into a productive organism" quoted in Schumpeter (1947). The economic historian, A H Cole, associates the entrepreneur with business management in his definition which views entrepreneurs as individuals who undertake: "purposeful activity to

initiate, maintain and aggrandize a profit orientated business unit" (Cole, 1959). These early economic definitions were beginning to link the entrepreneur with organisation and as being completely synonymous with firm performance and management behaviour. Indeed, Schumpeter (1934), in his widely cited works, adopted an outcome-based perspective of entrepreneurs and their behaviour, viewing them as change agents, innovators and creators of discontinuity. These economic perspectives on the entrepreneur span the period 1934 to 1975, reflecting a period when the entrepreneur was developing in modern society and beginning to be seen as a driver of development and wealth in the dynamic free market economies of the west.

More recently, some scholars with an economic perspective remain sceptical as to whether the entrepreneur really does possess something special or whether their success is based upon prevailing economic conditions and the underlying fundamentals of the businesses they create. Osborne (1994) suggests the fundamentals underlying success are such matters as a market experiencing growth, a well-defined niche, strong margins, fragmented competition and an enterprise with modest capital requirements. Given these somewhat utopian conditions, it is not surprising that businesses succeed. However, the critical factor that is overlooked by Osborne (1994) in subordinating the entrepreneur to market conditions and firm fundamentals is that he conveniently overlooks the entrepreneur's skill in identifying then developing a product or service meeting a market need, or indeed creating a new market. The entrepreneur's motivation to bear risk, act independently and go and exploit new and different things in innovative ways (Drucker, 1985; Longenecker and Schoen, 1975) in market conditions which they see as favourable is surely the point. To reduce these skills as subordinate to market conditions, the value proposition of the firm and firm structure provides an incomplete picture and reduces the complexity of the interplay between the entrepreneur and the firm to overly simplistic levels.

### **A management perspective**

Accepted wisdom in the modern day business environment is of shortening product and business model life cycles (Hamel, 2000) it is therefore unsurprising that the study of innovative individuals who creatively challenge the modern management orthodoxies and the status quo will be the subject of much popular and academic interest. In this context more contemporary definitions of the entrepreneur abound as follows: "individuals that start and manage a business with the intention of developing the enterprise, and possessing the leadership and managerial capacity for achieving their goals, often in the face of vigorous competition from other firms large and small. Such individuals often practise risk taking, strategic management activities and innovative management behaviour" (Beaver, 2003c p: 179) quoting others).

- Dynamic and risk taking individuals (Roper, 1998).
- Somebody who exploits an invention where risk is inherent (Hamilton and Harper, 1994).

Given this backdrop, these apparently exciting people have proved to be fertile ground for management research with work on the development of the entrepreneur fascinating scholars from both the quantitative and qualitative domains for many years. In particular, within the positivist domain researchers' have been seeking to establish structural frameworks through which to characterise psychological traits, motives and behaviours (Apospori, Papalexandris et al, 2005) and link these matters causally with firm performance (Roper, 1998). At the level of the large sample, this work is helpful in identifying themes for further in-depth exploration. However, as with all work of this nature, it can be problematical at the level of the individual as the methodological approaches often offer up preconceived constructs to the respondent, which thereby limit the depth and richness that can be uncovered and explored. Resultant statistical abstractions then have the effect of orientating responses towards measures of centrality, reducing diverse individuals into broad homogeneous categories. This desire to reduce matters down in a deterministic way does not fully represent the complexities and emotional energies devoted by the individual entrepreneur to building and then managing a business.

Socialisation and upbringing (Kets de Vries, 1996) are further areas that have interested the researcher over time. Studies have looked at the role of parents; the individual's drive for independence, achievement and social status, together with their requirement for power and wealth. This work is usually based upon the work of McClelland (1961) and seeks to identify ideal types or personalities. However, entrepreneurial behaviour is usually situated within a specific context, with factors such as market conditions, timeliness of the entrepreneur's idea for a product or service, location, and the role of other stakeholders involved. These matters conspire against establishing direct causal links between behaviour, personality type and entrepreneurial success (Stanworth and Gary C, 1991; Curran, 1986; Brockhaus, 1982). This outcome is unsurprising, given the multiple interdependencies identified above and the complexities influencing firm performance as argued by Osborne (1994). In the 1960s Smith (1967) began to segment entrepreneurs by upbringing and career choices. In his work, he divides entrepreneurs into two categories: 'opportunistic entrepreneurs' distinct by their middle class status, ability to identify gaps in the market and management techniques and 'craft entrepreneurs' identified as working-class, less well educated and pursuing working for themselves as a substitute for more traditional forms of employment. This theme is continued by Longenecker and Schoen (1975) who segment the entrepreneur into 'shopkeepers' or 'entrepreneurs' identifying shopkeepers as distinct from entrepreneurs as they develop self-employment through more traditional methods, usually

within an established framework, product or service in order to limit their risk. It is reasonable to assert that a number of tenanted pub owner/managers could be categorised as 'shopkeepers' but, as discussed earlier, this is overcome through the behavioural segmentation undertaken as the inquiry progressed. For the purposes of this study amongst tenanted pub owner/managers it is intended to work with the definition provided by (Beaver, 2003c).

- "Individuals that start and manage a business with the intention of developing the enterprise, and possessing the leadership and managerial capacity for achieving their goals, often in the face of vigorous competition from other firms large and small. Such individuals often practice risk taking, strategic management activities and innovative management behaviour" (Beaver, 2003c p: 179)

### **The intrapreneur**

The tenanted pub owner/manager occupies a unique position in an organisational context in that they span the boundary between being an integral part of the organisation and being on the outside of the organisation. This position offers them interesting possibilities in the way in which they might influence the Parent Co whilst retaining ownership of their idea or innovation. Against this backdrop it was felt appropriate to explore the role of the intrapreneur more extensively.

Intrapreneurship is a subset of the entrepreneurship domain and, in its broadest sense, can be defined as: "entrepreneurship within an existing organisation" (Antoncic and Hisrich, 2003) quoting others. Many other more narrow definitions exist which largely relate to the development of new ideas and the use of resources within existing organisations (Sharma and Chrisman, 1999; Hisrich and Peters, 1998; Stevenson and Jarillo, 1990). Intrapreneurship is a multi-level concept that can relate at the organisational, business unit and individual level. It is at this individual level that the intrapreneur is believed to display characteristics in common with the entrepreneur. Indeed Pinchot (1985), quoted in Kolchin and Hyclak (1987), whilst recognising that no such thing as a typical intrapreneur exists, acknowledges these individuals are present in many organisations and both he and Drucker (1985) drew attention to the well known examples of intrapreneurship in large organisations such as IBM, 3M and GE and, from these case histories, define the typical intrapreneur in the following way:

- Someone who wants freedom and access to corporate resources. Goal orientated and self-motivated, but also responds to corporate rewards and recognition.
- Has an end goal of 3-15 years, depending on the type of venture. Urgency to meet self-imposed and corporate timetables.

- Gets hands dirty. May know how to delegate, but when necessary does what needs to be done.
- Very like the entrepreneur, but the situation demands greater ability to prosper within the organisation. Needs help with this.
- Self-confident and courageous. Many intrapreneurs are cynical about the system, but optimistic about their ability to outwit it.
- Sells insiders on the needs of venture and marketplace, but also focuses on customers.
- Likes moderate risk. Generally not afraid of being fired so sees little personal risk.
- Does own market research and intuitive market evaluation like the entrepreneur.
- Considers traditional status symbols a joke - treasures symbols of freedom.
- Sensitive to the need to appear orderly in the corporation. Attempts to hide risky projects from view so can learn from mistakes without political cost of public failure.
- Adept at getting others to agree to private vision. Somewhat more patient and willing to compromise than the entrepreneur, but still a doer.
- Pleases self, customers and sponsors.
- Dislikes the system but learns to manipulate it.
- Works out problems within the system, or bypasses it without leaving.

This list of characteristics and competencies describes individuals who are interested in innovating and working within or around the system to get their ideas accepted. Whilst they share many features with the more traditional entrepreneur, they are clearly less inclined to cast themselves adrift from the relatively safe haven of the organisation. Whilst the concept of the intrapreneur is often associated with individuals working and exercising their entrepreneurial tendencies within large corporations, the concept seems equally transferable to the boundary-spanning role that tenanted pub owner/managers find themselves working within. It was from this perspective that the list outlined above was used to inform the development of interview questions and protocol for Project 2 of the DBA thesis (Appendix 6).

## **SUMMARY OF LITERATURE**

The key themes emerging from the literature in relation to owning and managing a small business and in particular a tenanted pub are that personal values grounded in the psychological discipline have a role in all walks of human life and human thinking. In the context of small businesses and tenanted pubs these values will either consciously or unconsciously influence the way in which the individual owner/manager will develop their business. In the situation of the small business operator, the role of instrumental and end-state values (Rokeach, 1973) may be more pronounced and relate to the level of personal and emotional investment the individual contributes to the business and, as is often the case, their own personal wealth may be closely related to the investment in the enterprise. Values are also directly linked to employee involvement and employee retention through such matters as openness, honesty, trust, respect and fair treatment (Sankar, 2003). Employee retention is an area of notorious difficulty in the leisure industry and particularly pronounced in the licensed trade. Therefore the role of values and the relationship to employee involvement and retention is highly relevant to this study. Building on the theme of employees and staffing, the role of leadership is also highly relevant, together with the interesting dynamic between leadership style and leader personal values identified by Wiener (1988). This has interesting implications for how individuals choose to develop their businesses but also for the Parent Co that may have pubs, for example, in a turnaround situation that may require a tenant with a different leadership style whilst turning the business around and re-establishing it as opposed to the leadership style required once it is re-established. This area is again an interesting perspective from which to view the business problem. The final area relates to the individual's overall competence, understanding and drive as a businessperson and emerges from the entrepreneurial literature. Here matters of personal values, strategic intensity, the willingness of the individual to incur personal cost to grow and develop the business, the way in which the individual chooses to organise people within the business and the extent to which they set themselves strategic goals or success factors is again relevant to the overall study. These key themes, literatures and definitions gave rise to the development of a theoretical framework as a means to approach data collection in the following three projects.



## CHAPTER THREE - PROJECT 1

### **PROJECT 1 RESEARCH METHOD**

The design of this and all other subsequent projects was complicated by the full-time role of the researcher as Managing Director of the Parent Co. This potential conflict presented a number of considerations around deontological, ethical and operational matters as research design, analysis and reporting progressed. The research proposal was discussed at an early stage with the lead supervisor and the academic panel and was presented personally to the university ethics committee. This approach resulted in full approval for the study being received.

#### **Background**

From this point a pilot study was conducted across four, universally accepted as successful by the Parent Co, public houses, involving five individuals. At this stage, repertory grid technique (RGT), derived from Kelly's (1955) personal construct theory (PCT), was used. The results of this are discussed in full earlier in the overview of research design section of this submission. Whilst the use of (RGT) was discarded in favour of a technique that allowed respondents to express themselves more naturally, it did identify a series of key themes related to managing customers and customer service, managing staff, managing the business, marketing the business, and leadership. Whilst using constructs from the discarded repertory grid technique may have presented some potential risks, they were developed by owner/managers at the pilot stage and were part of a lexicon regularly in use within the industry. These key themes were developed into an outline interview protocol (Appendix 2) that was discussed prior to the interview with respondents to check their understanding and level of comfort with the terms being used. In all cases they confirmed their recognition and comfort with the terminology. Simultaneously, the literature review was conducted, and focussed upon the core themes of; value typologies and their role in individual and organisational behaviour, values and their role in the organisation, values and behaviour, organisational culture and climate. These two pieces of concurrent work enabled an initial exploration and understanding of the field from theoretical and practical perspectives.

#### **Sample selection**

The next stage involved the identification of an appropriate sample. This was undertaken by initially looking at matters such as location, retail square footage and economic catchment for each of the public houses. In respect of economic catchment, demographic data from the 2001 census (Appendix 1) was used to assess the similarity of catchment areas. With few exceptions, which are detailed in the research overview these were found to be remarkably similar. Although outside the scope of this study, it is worth noting that, in a number of cases, public houses, unless

specifically young persons' venues (YPVs) can, and often do, appeal across a broad church of consumers. In respect of location and retail square footage the estate of public houses in question comprises buildings with unique and distinctive characteristics and therefore seeking to establish like-for-like retail spaces proved difficult. After some deliberation involving the management within the Parent Co, a strategy was adopted where individual outlets were selected from the Parent Cos' own segmentation defined as destination food with accommodation, destination food, community and wet led. From each of these respective categories eight outlets were selected: The two top performing, four mid performers and the two least good performers (total  $n = 32$ ) representing 40% of the total estate in question. Performance at this stage was that defined by the Parent Co and derived from a narrow financial perspective.

### **Participant involvement**

Following the selection of the sample it was important to reassure those who had been selected to take part in the study that their involvement was entirely voluntary, that well-documented research disciplines would be followed in full, that their remarks would not be attributable in any way and that their individual responses would remain confidential. It was felt that this reassurance would best be given by the Chair of the Parent Co, and a letter to respondents from this individual forms Appendix 7.

Interview dates were then arranged with each of the respondents at their premises. This was a principal consideration as it was an aim to minimise the disruption to their business day and to interview them in a situation which would be most comfortable to them. Owing to the potential length of the interviews, not less than half an hour and probably no longer than one and a half hours, and the physical distance involved between interviews, they were restricted to one or two per day.

### **Data collection**

Simultaneously, the semi-structured interview protocol was developed further. The focus of the interview design was to understand and establish from the individual owner/managers know, what they do, what they think and what they feel. The context for the need for this information was primarily to establish behaviour, attitudes and beliefs (Robson, 1993). This approach was not without some risks because these individuals may not have been used to discussing aspects of their motivations and behaviour in this way. It is also documented that beliefs and attitudes are more difficult to get at as they are often complex, multi-dimensional and can be susceptible to the effects of the wording and sequencing of questions during the interview (Robson, 1993). Nonetheless the face-to-face interview following a semi-structured protocol (Appendix 2), does offer the opportunity to follow up interesting responses and non-verbal cues. To utilise this profitably does require well-developed skills, and this can be seen by some as also a disadvantage as it introduces variability

and therefore inevitable concerns about reliability. In essence, biases are difficult to completely rule out and during the schedule of interviews, my own interviewing technique developed from an initial position where I was concerned as to the usefulness and relevance of the data being collected and recognise this anxiety may have introduced some bias and leading of respondents in the early stages of the study. These phenomena are consistent with concerns raised in the literature by Robson (1993) and Schein (1989) and something about which I made appropriate behavioural adjustments to ensure objectivity and confirmability (Miles and Huberman, 1994) as the fieldwork progressed. The data has been analysed and reported as collected, and a good level of trust and rapport was developed with participants that in turn led to a level of openness and candour (Denzin and Lincoln, 2000). Indeed, I was personally surprised by the willingness of participants to share their perceptions of the Parent Co, personal experiences and, in some cases, private details with me.

Twenty-seven out of a planned 32 interviews were conducted. All interviews were conducted at the owner/managers' own premises at a time suitable to them. Although a prearranged time had been agreed each was contacted by letter (Appendix 8) to reconfirm the time and to further outline their involvement as voluntary and that their responses would be kept entirely confidential and non-attributable in any way within the Parent Co. All participants accepted this although two individuals ultimately forgot their appointment and three called off at short notice reporting circumstances beyond their control. Recognising non-participation could be viewed as a form of response bias each individual case where a decline to participate occurred was followed up. The two individuals who forgot their appointments were genuine errors on their part and immediately offered to take part at a later stage. Of the three who called off at short notice respondent A had to unexpectedly take his partner to hospital, respondent B was experiencing a structural problem with the building which needed to be attended to urgently and respondent C experienced a delay in returning from holiday. Each of these reasons was taken at face value and was not viewed as an unwillingness to take part in the research and was confirmed by each individual being prepared to rearrange dates. Interviews were conducted in a relaxed atmosphere often in a bar that was busy with customers. This situation was not ideal but with only one exception, all respondents provided their full attention. All interviews were taped and a full transcript produced within Microsoft Word.

## **Analysis**

Following completion of the data collection phase an initial manual pass of the data was undertaken. Using a large grid, all 27 transcripts were studied and cross-referenced against the key themes identified at the pilot interview stage of the study. This document forms Appendix 4 providing a large visual, high-level interpretation of all the interviews, together with an overview of the data by pub. This process, highlighting reported values

and behaviours, together with indicators identified at the pilot stage, informed the development of the coding structure for use within Nvivo (Appendix 3). The data was then worked and reworked using the functionality; in particular use was made of matrix intersections, within Nvivo to identify themes, key linkages and relationships. These iterations of the data led to the development of multiple tabulations of the data under key headings. This in turn led to the development of a conceptual framework and typology.

I have attempted to provide an audit trail of data collection, processing and results. All data at the various stages is available for reanalysis or audit as appropriate. Within this research it is unlikely that the same research could be repeated in exactly the same way as organisations change and people change. The very fact that this research has taken place will indeed have had some influence upon the individuals involved. This said, the research has been conducted in such a way as to allow an auditor to repeat the process and procedures and *in theory* arrive at the same conclusions (Miles and Huberman, 1994). It was also possible owing to the structure of the DBA, to achieve debriefing by peers, another means identified by which to strengthen internal validity, credibility and authenticity (Miles and Huberman, 1994). This opportunity presented itself and was used extensively as regular presentations of findings and progress were reported formally to an academic panel. Finally, across the 27 interviews, a degree of internal triangulation of findings and is inherent within and a product of the cross-case approach.

## CHAPTER FOUR - PROJECT 1

### Emergent themes - Case analysis

This chapter intends to highlight and discuss key themes emerging from the data and develops relationships between the different styles and approaches to owning and managing tenanted retail pub businesses. The analysis identifies both common and distinct themes as emergent across the whole sample and identifies both the personal values and the management behaviours deployed by different categories of owner/manager.

### Seven core personal values

This section intends to provide a commentary on the personal values elicited from individual tenants throughout the data collection phase of the project. The majority of the values-based responses were achieved through a final question within the semi-structured interview asking why they had chosen a career as the owner/manager of a tenanted pub. A large number of values were elicited and are detailed later within the analysis. The fieldwork revealed a remarkable degree of consistency across pub categories and pub performance with all tenants making either an explicit or implicit reference to values during the interview process. Seven common or frequently occurring values are defined and detailed below. The definition is provided in order to add context to the textual excerpts drawn from interview transcripts. These common values are expressed in alphabetical order and not given any priority or weighting within the list.

**Table 1 - Seven core personal values**

<b>Frequently occurring values emergent in the fieldwork</b>	<b>Definition</b>
Care	To have regard or consideration for something
Challenge	A demanding or stimulating situation
Enjoyment	An agreeable or enjoyable sensation; something that gives enjoyment
Freedom	Personal liberty, autonomy, self-government or independence
Integrity	Adherence to moral principles; honesty
Pride	A feeling of honour and self-respect; a sense of personal worth
Satisfaction	The act of satisfying; the fulfilment of desire; the pleasure obtained from such fulfilment

With the exception of freedom, all these values would be determined within the work of Rokeach (1973) as instrumental values, that is a belief

that will guide and inform behaviour. The presence of freedom within this series of values is however, unsurprising given the sample being a Group of independent business people. They [the values] are also interesting in that they are more functional in nature rather than elitist (Wiener, 1988) and were certainly discussed in this way by respondents. Nevertheless, they were all inferred from interview responses or elicited as part of a broader conversation during the interview, are robust, and supported are by textual evidence.

*Value 1 - Care - Definition: to have regard or consideration for something.*

*Obviously that gives me a living; it gives the staff a living. I don't know. With a pub, creating a place where most people can come to for a friendly atmosphere means a lot to them. You know, say in their 50s, they wouldn't go to a town pub where there is unrest, the youth environment which can be abusive. Like I said earlier, I try to create that pub atmosphere where the older people can come and be at ease. SB, Pub 16,*

*I think it is just empathy and sympathy and care. Care. Because we are in the service industry and I think it's a little bit of a nonsense that people think that the care only interacts between the customer and the person serving but it just goes way beyond both ways. It goes all the way back to me, to you, to Parent Co, the supply chain, it's just a vast number of people. So if you don't care about the premises or the people or the supplier or the price or the visual or the temperature or the cleanliness, I mean it's just a myriad. TY, Pub 9.*

*Just chat to people, casually, almost like in a motherly way if you like! That's how I deal with it anyway. I show a lot of warmth to them, and respect of course. It's just the way I am. If they feel safe with me and they feel happy, you don't want someone shouting at them commands. Just taking care of people, making them feel part of it and the warmth again. DM, Pub 24.*

In this excerpt the respondent is discussing her management style and approach towards the people that work for her.

*Value 2 - Challenge - Definition: a demanding or stimulating situation*

*That to me is a challenge to just sort of think, what can I do for this person, what can I have available? CC, Pub 33.*

In this context the respondent is referring to the development of her menu within her community pub. She sees getting to know the clientele's dietary requirements as important and enjoys constructing dishes that are suitable for diabetics, people with gluten allergies and other dietary

requirements. She identifies this as a challenge which she enjoys within a pub that has a customer base that is predominantly older.

*It makes it more interesting, because at the end of the day we all get bored doing the same thing everyday. If I was here and was just purely selling beer, I think after a couple of years I would probably find it boring and look to do something else. Here we have developed a pub that does maximise sales wintertime or bad weather times over the last two years, by improving the outside appearance of the pub. It's still something to drive for, still challenge. It is the challenge really. It's the challenge of not standing still. GF, Pub 12.*

*Value 3 - Enjoyment - Definition: an agreeable or enjoyable sensation; something that gives enjoyment*

*I enjoy it, I enjoy doing the cellar work, I enjoy doing the paperwork and all the rest of it. I'm enjoying it more now because I've got help. MC, Pub 5.*

*I get back perhaps one in four, have a couple of days but I get bored, I need to get back here and get going again. JH, Pub 27.*

Here the respondent was referring to the separate house he has in another part of the country and how often he goes back to it but feels a need to return to the pub as he enjoys his time there so much.

*You have to enjoy it. If you don't enjoy what you are doing you will never make it. DB & DR, Pub 30.*

Enjoyment was a response elicited across all categories of pub, and something that seems to act as motivator to many tenants. Again it is unsurprising that this should appear as a value because individual tenants spend an enormous amount of time within their businesses and often the business premises also serves as their home.

*Value 4 - Freedom - Definition: personal liberty, autonomy, self-government or independence*

*And it's a job that I suppose really I can decide what I do when. There are certain aspects and certain things that have to be done at certain times, but it's still nice to be able to say I can spend an hour with you today, or it could be 3 o'clock this afternoon, I've got that leeway of what I can do when I do it. LK, Pub 28.*

*We are able make our own decisions about how we run our business. CC, Pub 33,*

*A high number of these sorts of outlets struggle. There are approaches to providing a good quality outlet; we've had the freedom. GF, Pub 12.*

*I tell you what I love, the freedom of it. Put it this way, if I want tomorrow off, I'll take it off. I am in the position to do that. I don't make a regular habit of that, but it's the only vice that I will only own up to is that I love a bit of golf. FV, Pub 26.*

Freedom is a terminal value in Rokeach (1973) terms. However, the application and emphasis demonstrated here is more in terms of an instrumental value guiding how they choose to operate and develop their businesses. It is, however, judging by responses, something they seem to hold close and value a great deal.

*Value 5 - Integrity - Definition: adherence to moral principles; honesty*

*It was like when I reopened the market, the first thing I said was that this market will be run straight, it will be run honest, the purchasers will be told what they are going to get. There was a tremendous stigma in the cattle industry of what we call 'dealers cattle' and people that were buying and selling, buying cattle one day and selling the next. We were going to stamp all that out, there was going to be no standing for certain people's cattle and things like that. It was going to be run straight and that's the same with this. DB, Pub 30.*

Here the respondent is referring to the approach he adopted as the manager of a cattle market and relating this experience to the approach he has adopted in owning and managing his pub business.

*I believe so. The chef never ate the food that was on the menu. Not that they were bad business people, it was not the food was bad it was just that their values were not what mine were. And the way they worked with people sometimes was horrible. You have to treat people well if you want them to come back, that how I choose to work. RR, Pub 13.*

In this context the respondent is commenting on the policy of a previous employer to charge expensive prices for food that in his opinion was not worth that being charged. Therefore, from his perspective, the employer was taking a short-term decision to overcharge rather than take a more long-term view to deliver value that would see customers return. He felt this approach lacked inherent integrity and is not the way he communicates that he chooses to develop his business.

*Our pricing is fair on what I pay. I don't fiddle anyone out of 5p. JH, Pub 27.*

*Value 6 - Pride - Definition: a feeling of honour and self-respect; a sense of personal worth*



*I haven't got a long list of qualifications, but as I say I haven't done too badly. I like to give everybody one chance. FV, Pub 26.*

In this part of the interview the interviewee was referring to his staff selection process. He did, however, relate this to his own personal experience and the relative success he has experienced in his own working life and how he feels about this.

*I think it's achieved a loyalty and they are very much, Pub 28 is the best and I don't question that. I'm not big headed but I do feel we put an awful lot into making sure that it is the best; we make sure it's the cleanest, the nicest to be in. LK, Pub 28.*

*There was a comment the other day, a customer sat drinking Parent Co beer and I just happened to go behind the bar, and he said, 'if I had a pound for every bad pint you sold, I wouldn't have much in my pocket.' GF, Pub 12.*

Here both respondents at Pub 28 and Pub 12 are communicating the sense of pride they feel following a period of hard work turning around what have been difficult establishments in the past.

*We are in so many books now, that I am very proud of. DM, Pub 24.*

Here the owner/manager demonstrates pride by referring to the presence of her pub restaurant in a number of good food guide books.

*Oh I do! I do love it, I love all the people and I love all the praise. SI-C, Pub 20.*

Value 7 - Satisfaction - Definition: the act of satisfying; the fulfilment of desire; the pleasure obtained from such fulfilment

*Because if I didn't get satisfaction out of doing the job, I wouldn't do it. I have taken a line of work that I enjoy, I get job satisfaction. People go away happy and come to the bar and say it's nice to walk in a place with a nice friendly, warm atmosphere; that's job satisfaction, to me. SB, Pub 16.*

*Incredible reward in terms of satisfaction. TY, Pub 9.*

Responding to the question: why do you choose to do this?

*That is self-pleasing to me and satisfying to me and that is how I run my operation always. YEL-L, Pub 23.*

*It's important to me because I want to be happy in my work environment. I am very happy in my work environment. If I am happy in my working environment it spreads down to everybody, doesn't it? PW, Pub 4.*

Here the respondent was referring to being satisfied in his work and the impact he perceives this has on the working environment for the people that work with, for and around him.

## Other values

A series of other personal values were elicited during the fieldwork stage and these are obviously important to the people who identified them, and important in the context of owning and managing a tenanted pub from their perspective. They were, however, values that appeared less often than the seven core values detailed above and therefore were perceived to be less generalisable in this context. There is also some overlap with the values highlighted above and with the Rokeach 1967 value survey. Other values raised by respondents are detailed in the table below ,together with their potential overlap with the seven values identified above.

**Table 2 - Other values**

Core values →	Care	Challenge	Enjoyment	Freedom	Integrity	Pride	Satisfaction
Other values raised ↓							
Achievement		✓				✓	✓
Control				✓			
Fun			✓				
Happiness			✓				
Independence							
Patience							
Pleasure			✓				
Quality							
Reputation					✓	✓	
Security				✓			
Sharing	✓						
Trust					✓		

The principal values identified above were expressed universally across all pub categories - community, destination food, destination food with accommodation and wet. They were also common across all levels of pub performance as defined by the Parent Co. Questions arising, if one takes the Rokeach (1973) definition of an instrumental value as informing and guiding behaviour, are:

- Do personal values communicated by individual owner/managers manifest themselves in management behaviour?

- Do families of owner/managers exist that communicate and emphasise certain values, and develop and display certain distinctive management behaviours?

As detailed within the methodology this approach involves the analysis of the personal values communicated by each individual respondent. This was then synthesised with resultant management behaviours, in the priority areas determined within the pilot exercise and as expressed by the individual. The priority areas arising from the pilot and identified for attention were:

**Staff management:** Defined as all aspects of people management, recruitment, training, development, support and discipline.

**Customer management:** Defined as all aspects of customer service and customer care.

**Marketing the business:** The methods, tools and techniques used to define the offer of the business and communicate it to customers.

**Leadership:** In this context defined as the leadership style of the owner/manager (tenant) in the way that they: create a sense of purpose and vision for the business, establish the behavioural norms, culture and climate within the business and interact personally with staff and customers.

**Managing the business (finance):** The extent to which the individual considers, controls and plans the finances of the business.

### **Data analysis**

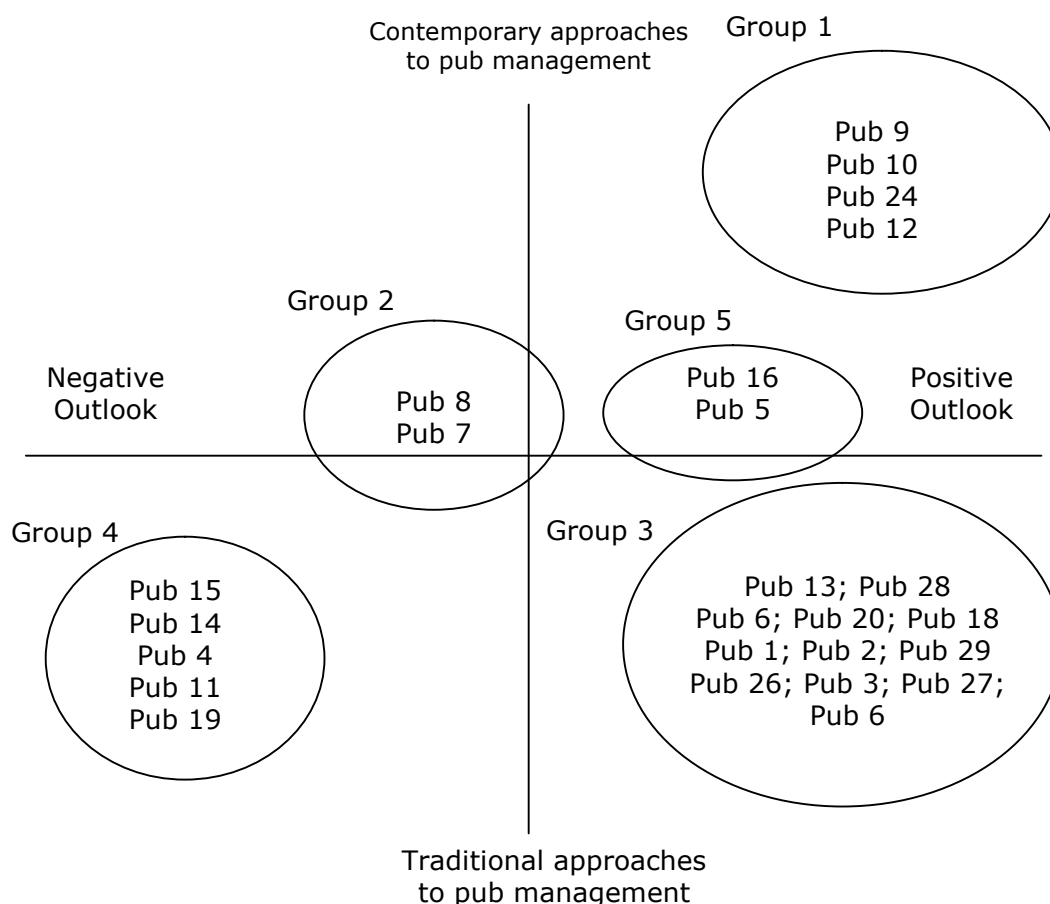
The following stage of the analysis was conducted on a cross case basis analysing the 27 completed interviews for patterns and themes. The data did reveal common patterns and themes across different individual pubs and across the pub categorisation imposed by the Parent Co. These patterns and themes are explored under the framework of critical issues arising from the pilot exercise and identified above. When dealing with individual data of this nature an attempt has been made to ensure a consistent approach to the layout and presentation of the analysis.

It is important to note at this stage, and when reading this analysis, to consider the issue of context specificity as these individuals have often developed and grown their individual approaches to owning and managing their businesses by themselves without support or exposure to underlying theories of fields such as sociology, psychology, economics or management. This lack of formal training is illustrated in the following respondent commentary:

*Possibly one thing. It's almost, and it comes back to the lack of training, there are almost no boundaries. For instance the stuff that we did here with Parent Co in terms of the contract that we entered into to do some of the development work here was to my knowledge was the first of its kind, certainly within Parent Co but maybe anywhere almost. And then, a lot of people used to say to me what the hell are you doing, why don't you go and buy a pub? But it was like, I don't want a pub, I just want to do this as well as I can and I think it's a little bit altruistic, I think that families deserve, people deserve certain types of social environment so that they can develop and evolve and it's important to me that kids can come here, age 2, 3, 4, 5 with parents and over the years we now see those kids aged 5 coming back aged 20. And have done throughout the years and being part of the same place. New Year's Eve is a classic example where you can have a grandfather, father and son and all the various family connections, even though they are not necessarily there together they can be in their individual Groups but they all feel comfortable here so I think that not having the training has almost meant that there is no formal constraint at all. So in creating what we did here, and I think it was almost iconic, TY, Pub 9.*

The initial exploratory approach to data analysis involved a high level review of all the interviews against the management behaviours highlighted within the pilot exercise whilst remaining grounded in the data of the main study. This raw high level review can be found in Appendix 4 and forms a 27 (number of interviews) x 11 (management dimensions) matrix of initial impressions to the responses of individual owner managers. This approach gave rise to a scatterplot, figure 4.1, aimed at illustrating spatially the relative position occupied by each of the 27 respondents along two dimensions: Negative (worldview) to Positive (worldview), and (Contemporary) approaches to pub management to (Traditional) approaches to pub management. This gave rise to an impressionistic rating for each of the 27 respondents and provided an indication of likely families for further in-depth analysis.

**Figure 4.1 – Mapping the outlet population**



Although a simplification of a complex area, the emergent Groupings proved to be robust and precipitated a more indepth study of interview responses within each of the Groupings. This deeper analysis is conducted throughout the remainder of this results chapter where the distinctive characteristics of each Group are discussed in detail.

## **Group 1 results**

### **Introduction**

These individuals are concerned and sensitive to the organisation and to the multiple interdependencies involved in owning and managing their business. They tend to view their business as a complete system and understand the role of relationships and work to develop them with suppliers, customers and staff, recognising them as critical to their success. They concern themselves a great deal with their teams and the development of the team, and typically operate within a leaning towards a transformational leadership style (Bass and Avolio, 1996). They are inclined to view competition as an opportunity to learn and will scan the

external environment in a focussed way to ensure they assimilate ideas and develop their own business. This external scanning may be conducted widely, and influences come from outside the industry. They are concerned about their customers and listen to feedback and often act upon this feedback in developing their business, they also see it as an opportunity for the whole business to learn. They are equally prepared to work with other stakeholders such as staff and suppliers to develop their business. More entrepreneurial and innovative than other categories, they adopt a meta view of the business and work in a more detached way. They talk of 'sensing' how the business is going and link this with visual inspection to confirm their feelings. Their application of values is broader and more abstract than others. The following analysis provides illustrations of the characteristics discussed above.

### **Managing staff**

In the following illustration the owner/manager is discussing his preparedness to invest in the development of his people to enable him to step back and have the time to develop a meta view of his business and thereby highlighting his concern for the organisation. He is communicating a broader view than we will see from some others within this industry and believes in getting his organisation right from his perspective. In a similar vein the following comments highlight a desire to develop formal management mechanisms and structure amongst this category of pub owner/manager.

*"It's just having those relationships, and hopefully, to me it's always important not to be shackled to your business and certainly, in my view, too many landlords are. They see the cost of saving five quid or the cost of not training somebody properly as being a saving, but it's not. And, in fact, you are talking about some of the success criteria, I mean, we just spend so much time on training and trying to develop people. Job descriptions, Investors in People programme, personal development reviews, formal handbooks, disciplinary procedures it's like coming out of our ears". TY, Pub 9.*

This is further supported by the following comment where concern and support for a management team to enable the owners to adopt a broader view is being communicated.

*We try not to go direct to the staff because otherwise people think well who is the boss? Tanya is the boss up here, Mel is the boss down there and it goes through them. There are a lot of things I think we don't hear about because we don't need to which is nice because you don't want the nitty gritty every day because that's what you pay other people to deal with. But having said that, we have our head chef and our front of house manager who are also licensees with us and we regularly sit down and go through everything that is just happening and what is going to be happening*

*and this and that. We do have a good communication set-up here so we are always talking to each other. CF & KF, Pub 10.*

*On the business side, he takes it over completely. We discuss stuff as well, usually after an evening session we will sit down and have a chat. Sometimes it's a long chat with a few drinks, but we do tend to open up and tell each other how it went that day and he will ask if I think we should try the 'new beer', and we talk about customers, how the food went etc. Nearly every day we have a chat. DM, Pub 24.*

Here the respondent is discussing the role of her manager and their method of daily communication.

As widely experienced and identified in other industries, pay systems are viewed as an important factor in building, motivating and managing people. This category of owner/managers recognises and uses the benefits to be gained from actively managing pay levels as a means of building and maintaining their teams.

*I think we started to up rates, almost redefine the way we wanted jobs doing. TY, Pub 9.*

Here the respondent is discussing changes to job roles within his organisation and linking this to improved pay rates.

*The other benefits they get from us here, if they are doing a straight shift here, we always make sure they have a meal. And during that time they are sitting down, we actually pay for that time as well, which most places don't. The other things we also do, the money, we don't play around with their money. We don't do a salary type thing, even though our managers are on a salary they always get so much every month, but if their hours increase, if they do an extra 20 hours, or another five hours, they are paid their money whereas I know in other places they will say well you are on salary, if you worked it out over 40 hours it's a fair wage, but they end up doing 50-60 hours and earn the same amount of money. Bank holidays you get double time. Everybody gets four weeks' holiday; other people don't treat them that way. So if they have done three months then they are entitled to their four weeks. So we try and treat them fairly. Money is important. Last year they had a 9% pay rise last year, which was 50p. But this year because the whole year hasn't been so good, extra costs all round, with the national insurance contributions and everything. And this year, we still managed to find a way of paying the staff an extra 3%. OK, it's 15p but you multiply that by the amount of the hours they have done, and the contributions that we have to put in and it's still comes to thousands. CF & KF, Pub 10.*

The respondents here are discussing the role of fairness and equality in dealing with their team.

In developing their teams this Group of managers is also open-minded about seeing them move on to better things as illustrated by the following two quotes:

*They are so enthusiastic. One is quite young and he is in his early 20s but he is such an enthusiastic boy, I know he will go far. I can't see him staying with me forever I think he will be off in London in some wonderful hotel or trendy bistro, he's got so much potential, it's lovely, wonderful chap. DM, Pub 24.*

*I think it's just good practice. Solid good practice. We've got a restaurant manager here, bar manger, both were here, I can't remember the time frames but say five years ago. Both at different times moved off and now they are both back. TY, Pub 9.*

Referring to staff that have left his business for different roles then returned into management posts. This demonstrates that the respondent perceives a more open-minded approach to the management and development of people pays dividends for his business.

### **Managing staff - summary**

In summary, this Group of owner/managers has a positive disposition towards their staff and teams. This is grounded in organisation, being seen to be fair and developing individuals and the wider team. This is not however, undertaken through altruism; it is undertaken with the express aim of enabling them to step back from the business and adopt a broader view of the business and the outside world.

**Table 3 - Group 1 managing staff summary**

	<b>The organisation</b>	<b>The team</b>	<b>Training and development</b>	<b>Communication</b>
<b>Group 1 Staff Management</b>	Is concerned with the organisation as a system.  Sees people as fundamental within an effective system.	Concerned about their people - may employ contemporary management techniques.	Staff are encouraged to develop.  Training and development opportunities are provided.	Sees good communication between self and staff as critical.



## Customer service

In the field of customer service, Group 1 people, as with their approach to people management, have a tendency to develop systems, such as complaints handling, operational systems and systems for measuring customer service. Their own 'sensing' and listening to feedback about the levels of service being provided direct from customers also augment these systems. Related to their systems view of the business they do not typically adopt high profile 'mien host' roles and in some cases are rejecters of the notion of a big personality in favour of a more detached or distant management role. They also recognise the role of the pub and how that might be changing, and focus upon creating a 'customer experience' based upon consistency of service.

*Well we make sure that all the staff understand what they have got to do. We also try to see and understand what customers are requiring and in the past when we are really busy because we have two seasons if you like; a quiet and a busy one. During the quiet period everything goes rosy and everyone thinks everything is fine. Come the summer all of sudden the business just multiplies by four or five and it just, the queue starts forming, we start listening to people. CF & KF, Pub 10.*

In this extract, the respondents are linking clarity for staff with delivering a service that is required by the customer. They are also demonstrating sensitivity to the changing demands being placed upon their business and develop their operational systems accordingly.

*Every year we are trying to adjust it a little bit for the better. We look at everything that we've done and if we can tweak it to improve it every year. Every year we try to tweak it a little bit. We try not to do too much because otherwise you fail to understand the results. CF & KF, Pub 10.*

Here the respondents are communicating both their requirements for formal feedback systems but also linking this to an informal 'sensing' about the business.

*So then, the most important person to listen to is the customer and I would say that a degree of our success has come of our customer base, i.e. they tell you what to do. I think the key is customer feedback and visual inspection. We have product evaluation things that we put out daily with all our bill pads, we have ghost customer surveys that we commission, I think it's every six weeks. We have team meetings; we just do the whole nine yards really. I can go out at the weekend and assess, albeit socially but it's never without...I walk in here, in The Alex and it's almost like, how do I feel when I*

*walk in? Do I feel it's clean, tidy, smart; is there a smile when I'm being served? TY, Pub 9.*

*I think it is just keeping an eye on everything making sure...I'm constantly watching the beer coming out, is it a little bit on the cloudy side or something like that. I like all the glasses to be clean and sparkling so I'm watching that all the time. DM, Pub 24.*

In this extract the participant is referring to her visual inspection techniques.

There is some evidence of Group 1 being rejecters of the more traditional notion of pub management and ownership as being about 'big' highly social personalities acting as the host. This is an interesting perspective and runs counter to much industry thinking on the issue of pub management.

*I think that businesses and certainly from the brewery point of view, become too personal. It's too personality led which, you get a change of landlord and all of a sudden even though the landlord coming in, as I found, is competent, the customer base that has built up can think, well 'they're no bloody good because it's not like so-and-so used to be'. The place might be cleaner, tidier, better standards, but you know. TY, Pub 9.*

*I think it is a good understanding of people as well because you rely so much on people a) coming in as your customer and b) your staff. You need to be not overly sociable but you do need to be able to have time for people. CF & KF, Pub 10.*

*Getting to know people, polite conversation, being efficient and giving them a smile and having a little joke with them. It's not intimate, we're not intimate with people, but we make them feel as though they are our friends. DM, Pub 24.*

The final area within the customer service domain that Group 1 individuals have communicated as important to them is consistency, defined in this context as conformity with previous attitudes, behaviours, practice and product quality. It is, however, worth noting that this was not unique to Group 1 and other categories, as will be illustrated later, saw consistency as important. There is, as will be seen, a difference in approach as Group 1 individuals seem to take these issues more as a given owing to the management control systems they have implemented as illustrated below.

*It's consistency. It's getting it right all the time. Don't be complacent. TY, Pub 9.*

*Most customers will certainly complain or comment if they don't think their drink was right or if the glass was dirty or chipped. We get a lot of comments back on how nice some of our glasses are. We use*

*correct glasses for J20's, wine and lemonade, spritzers rather than the boring half-pint straight glasses. GF, Pub 12.*

*Because, the tickets used to accumulate at the bar and they used to sit there sometimes for five minutes, ten minutes before they got collected and walked down to the kitchen so in the meantime that's what had been accumulated and the first order isn't necessarily the first order the chef gets going. So that was the other problem, people will say 'Oh I'm sure I ordered before they did, why is it taking so long?' So we have wasted ten minutes, and now the order, if you put an order in now and you asked for a pint of bitter and a pint of prawns, if I put the pint of prawns order in first and then served you the pint of bitter and then took your money and processed the whole thing, I could actually get that food order down to the kitchen before any of this is completed and by the time you get to the table, the prawns are arriving. CF&KF, Pub 10.*

### **Customer service - summary**

In summary, Group 1 owner/managers demonstrate a willingness to develop operational systems that they believe ensure consistency and product quality. They actively seek customer feedback and learn from it and augment more formal mechanical feedback systems with their own visual inspection and 'sensing' of the business. They have a tendency to be more detached in their approach to customers are rejecters of the traditional 'big personality' behind the bar.

**Table 3 - Group 1 customer service summary**

	<b>Systems</b>	<b>Personality</b>	<b>Watching and listening</b>	<b>Product quality and consistency</b>
<b>Group 1 Customer Service</b>	Develop operational systems and customer feedback mechanisms.	Adopt a more detached approach to customers.  Tend to reject the notion of 'big personality'.	Supplement formal feedback mechanisms with their own visual inspection and 'sensing' of the business.	Are more inclined to take product quality and consistency as a given as they are underpinned by operational and management control systems.

## Marketing the business

Marketing within the tenanted pub sector, both at the level of the Pub estate and at individual outlet level, is not well defined and, in many cases, not practised. Traditionally, pub estate owners have rejected marketing to any great extent owing to systemic arguments around the business belonging to the individual tenant and therefore presenting difficulty for a parent organisation or pub owner to develop and communicate a consistent brand message. At an individual outlet level, marketing is viewed somewhat cynically and is looked upon principally as a cost in these small and micro businesses as they seek quick returns from what they would categorise as discretionary expenditure. It is also viewed as a resource issue at this level not only requiring financial resources but, more critically, expertise. The individuals within Group 1 are, however, aware that they need to create an experience for their customers and develop their marketing and product offer strategies accordingly within the confines of their own expertise and resources. Whilst these approaches may be at a relatively rudimentary level they are towards the forefront of thinking within the wider sample. The approach adopted by Group 1 is around developing the customer experience tailoring the offer to suit the customer base they are targeting, developing their reputation and linking this to word-of-mouth advertising. Finally, they see competitors and competitor activity as a mechanism and opportunity for learning.

*"We clearly market ourselves as a traditional pub selling high quality products perfectly poured and presented. We also do good, home-cooked food so we are clear that we are a pub also selling food; we are not a restaurant also selling beer. You see that is a very clear policy." GF, Pub 12.*

*"I think that families deserve, people deserve certain types of social environment so that they can develop and evolve and it's important to me that kids can come here, age 2, 3 4, 5 with parents and over the years we now see those kids aged 5 coming back aged 20. And have done throughout the years and being part of the same place." TY, Pub 9.*

Here the owner/manager is discussing the benefits of defining his pub as a welcoming destination for families leading to customer retention over the long term.

*"Quality of food, I buy everything fresh, I've got a girl who is my second in command in the kitchen, I don't know if you are so interested in the kitchen but, she has been with me 16 years and she thinks like me now. Oh, yes I buy local meats, I've got a company in X I use. I like my steaks to be well hung so I make sure they are aged steaks. Things like that, just little touches. My food is not*

*overly fancy but it's really good hearty stuff. I'm in lots of the food guides so there is plenty of advertising." DM, Pub 24.*

The respondent discusses her reputation for good food and rightly relates this to marketing.

Respondents in Group 1 also indicate dissatisfaction with the levels of service and experiences they have had personally as consumers within the industry. Indeed, two of the respondents cite this, at least in part, as a reason for their initial entry into the industry and the basis upon which they set out to create customer experiences.

*"I think the reason people come to their local pub or visit our premises is the experience. People do ask me why am I here. The only reason we are is both the wife and myself overall were disappointed with the level of service or level of product with the wet trade, with the public licensing trade. We won't quote the places, but it became that every time we went out for a drink or a meal, we never felt that we had enjoyed the experience." GF, Pub 12.*

This appeared a defining moment for some respondents in their decision to enter the sector. Here the respondent confirms his dissatisfaction with the then current offer within the industry.

*"So it is being out there, but also because you're out there, people are talking to you and just saying, 'I went to Pub 9 last night, had a great meal' when it can be the solicitor, the accountant - the accountant lives locally. In the early days. And then similarly, we did something in X and it's like, people say to me well where did you get your ideas from? I just say myself, my wife and I've got three kids, because it's a question of how we want to socialise. And living in X it wasn't being satisfied, so it sounds a little bit grand to say, well there is nowhere to go, so we will create somewhere it's almost, it's driven by personal need, not by wanting to make money." TY Pub 9,*

However, it was found not to be entirely about individuals' personal needs and much of the customer experience comes from listening to the customer and responding accordingly as illustrated below.

*"Or they will call us up asking what's the chances of the smoked haddock chowder being on the menu that week, so I'll just pass it on to the chef and at some time during that week he'll put it on for them." CF & KF, Pub 10.*

Advertising and promotion is the area that pub owner/managers relate to marketing. This view is not inconsistent with basic views of marketing in other industries and is unsurprising in this respect. Some advertising is

undertaken but it is at a low level or based upon the reputation of the pub and its location.

*"My view of marketing and advertising, on our scale, is that we are a people business and if we don't get it right, you know we need to get it right with the customer, one on one. If we can do that they'll go away and tell ten people and come back." TY, Pub 9.*

*"I don't advertise, I don't promote, it's word of mouth and reputation." DM, Pub 24.*

The respondent is discussing his approach to paid for advertising.

*"The one thing we do which might be perceived as marketing, is one of these 2-4-1 promotions. So, very cost effective, I think it costs £100, £200 to buy a certain number of papers which they insist on. You then get four, five, six insertions, if you had to pay for that it would be £1,000 a go and for that we have to give meals away." TY, Pub 9.*

This is commenting on promotion and advertising with local media.

A characteristic of Group 1 individuals is their propensity for scanning externally amongst the competition. This is undertaken both with a view to the long term in order to develop ideas for the future and to compare themselves and their performance on a more immediate basis. Both these behaviours are uncommon amongst the wider sample and likely to be equally uncommon within the wider tenanted pub sector.

*"Yes I go out and eat I think we all do it to each other, the landlords and the restaurateurs in the area. I mean I have them coming to me, so I think we all do it. Sometimes I get ideas but it's usually from a restaurant rather than a pub, if you see what I mean. I'm not saying the Parent Co pubs, but some pubs and restaurants I come away and think, God we are doing a great job. And I'm not getting a thing from them, because they are not doing it as I would do it, no names mentioned! I took them [staff] to Sheekey's in St Martins Lane and actually it was featured in the Telegraph this week, this Sunday. And this last time James, Bob and I went to, not Hakkasan, the other one...so Michelin star, Chinese, trendy, they are all getting these accolades now. It's the sister to Hakkasan. Anyway, that was another day out we had out together." DM, Pub 24.*

In this extract the respondent is discussing both the competition and visiting London restaurants with her team to develop ideas. This behaviour is interesting from the perspective of the comparisons chosen and from the involvement of her team in the development of the business. The

scanning of the market can also take place at a more local and immediate level as illustrated by the following respondent.

*"Get somebody out in a car who can go and clock a few other premises and see what's going on in the local marketplace. We will compare how many cars are in different car parks, which is an indicator. We tend not to go in because it takes too much time." TY, Pub 9.*

Here the respondent is communicating a more immediate view of his local market related specifically to his daily performance report that will be the subject of discussion later within the analysis.

### **Marketing summary**

Group 1 respondents have a relatively rudimentary understanding of the marketing discipline and categorise it as advertising and promotion. They are, however, undertaking marketing activities in the way that they choose to define their offer. This is based upon their customers' needs and they recognise the need to develop a customer experience. Where possible they use their reputations to build word-of-mouth advertising and press coverage and they monitor and compare themselves to competitors both locally and further afield.

**Table 5 - Group 1 marketing summary**

	<b>Developing the offer</b>	<b>The customer experience</b>	<b>Advertising &amp; promotion</b>	<b>Competitors</b>
<b>Group 1 Marketing the business</b>	Define the offer based upon their consumers/ customers needs.	Acknowledge the need to create customer experiences.  This may be based upon own dissatisfaction and personal experiences.	Marketing viewed suspiciously although some advertising and promotion may be undertaken.	Competitors are monitored and used to develop ideas and consequently their own businesses.

### **Leadership**

As discussed within the literature, leadership is often viewed as "the principal power or determining factor in organisational events or occurrences" (Meindl and Sanford, 1987). Within businesses of this size, small and micro, the leadership and management style are inextricably related with often the owner/manager spending their time working closely

alongside their staff. Within the category there are clear leadership behaviours emerging in the following areas:

- Ensuring that the organisation is appropriately resourced, not only with the correct number of staff but staff with the correct age and personality profile.
- Ensuring their teams feel empowered to generate ideas to move the business forward.
- Ensuring harmony amongst the team and acting decisively when things go wrong.
- Establishing appropriate pay rates and reward mechanisms; these may extend beyond monetary reward.
- From their perspective they would view these behaviours as evidence of their own learning.

As identified later in the analysis, Group 1 owner/managers do have the ability to act in a transactional manner particularly in regard to managing the financial aspects of their business. However, they do have a propensity to display leadership behaviours that could be categorised as transformational (Bass and Avolio, 1996). Examples of this are evidenced below.

In the following commentary respondents are discussing the value of their team and their principal leadership role in maintaining levels of morale and motivation to ensure that ideas are generated and developed that move their business forward.

*I would say primarily motivating our staff. You can't run a business this size without good staff and we are very lucky and we know we're lucky. We regard all our staff highly. So I would say primarily the most important thing we do every day is motivating our staff. We empower our management team to make decisions because a lot of the ideas are coming from the team upwards. There was a suggestion made by two members of staff to our bar manager about something so then that's discussed between them, then the information is brought back to us and we just sort of say right, let's run with this, see how we can do it, see how we can improve. And if we can improve service and standards without spending too much money then I've got no problems with it. CF & KF, Pub 10.*

As discussed earlier within this analysis, there is also evidence of reward mechanisms being used strategically by Group 1 respondents as they seek to motivate and retain their people. In this example, the respondent is talking of directing additional profit generated to staff as a means of retaining them and demonstrates an understanding of a systems



relationship between pay rates, service levels, staff retention and business results.

*We also know we pay above most of our competitors, perhaps the highest at X, we are aware, we tend to find that most staff are attracted to us. It is also interesting that our two key staff have been with us coming up for a good four years now. We're more positive in a way that people of that high calibre regard Pub 12 as the place to go to for a job. It shows that we have a good working relationship with our staff and it also shows that we actually run what people see as a quality pub that these people want to come and work for. There are numerous other pubs in X bigger than this who don't respect their staff and have a high employee turnover. To us the key thing is by running a profitable busy pub, it also means we can afford to pay more wages. We often would rather direct profits made in the increases often to the staff rather than ourselves. Well, we would rather give them a pay rise than keep it ourselves. GF, Pub 12.*

As suggested earlier, Group 1 respondents will also extend their approach to reward and recognition beyond the monetary as illustrated below.

*We have an annual pilgrimage to Centre Parcs every year. We pay for all of it. We pay for the rooms, we provide transport up there, we are going to re-look at that again because we paid for a bus, but a couple of the guys who are at college could only make a couple of nights, so they took their own cars but that's optional. While they are with us, while we are around, we pay for all the drinks, we pay for the evening meals, all the rooms, we will pay for any entertainment that we are involved in, if they are with us, we will pay for bowling. I would say if anyone wants to meet up for golf, bring your clubs, we meet up for golf, I would pay for it and I would pay for us to have breakfast together, so things like that. CF & KF, Pub 10.*

In addition to ensuring morale, motivation, harmony and the retention of their teams, Group 1 owner/managers are prepared to act decisively when required and see this as an integral part of their leadership role.

*We start the ball rolling straight away. If it's like warning people, we start the disciplinary procedure virtually immediately because if you give too many verbal warnings you are wasting time. So we feel that if they don't sort of come to the second round warning, or whatever, it's time for them to go really. Because if they haven't kicked into gear, or got themselves sorted out. And if it's another serious matter where we feel it's maybe either theft or other things. We had a situation where we had an individual throw a knife in the kitchen at someone. It was only a steak knife. It was the action of what they had done. The fact is, this knife was thrown in the direction of the individual and it hit the curtain and fell on the floor. So we put them*

*immediately on a suspension. As I say, we rely on the staff to do their job, and the staff rely on us to do our bit. And if there is a problem with anything to do with the running of the place, say equipment or whatever, it's our responsibility to make sure it is all running right and the place is all safe for them as well. And if they feel that there is an individual who is actually disrupting the mechanism, we are made aware of it and we deal with it. We either repair the problem or we stop it. CF & KF, Pub 10.*

## Leadership summary

In the leadership domain, Group 1 owner/managers exclusively see their role around people, ensuring that their business is appropriately resourced with people empowered to deliver service to the customer. They use pay and reward mechanisms in a strategic manner to ensure that their people are motivated and retained - both critical issues in the leisure industry. They do not talk specifically about creating a vision for their organisations, and some of the more traditional behaviours associated with leadership in larger organisations do not manifest themselves within this Group. This is undoubtedly a factor of size and the direct and immediate relationship these owner/managers have with their customers, staff, suppliers and the day-to-day performance of their business.

**Table 6 - Group 1 leadership summary**

	<b>Focus on People</b>	<b>Morale, motivation and retention</b>	<b>Strategic use of rewards</b>	<b>Acting decisively</b>
<b>Group 1 Leadership</b>	Leadership behaviours are more likely to be transformational in nature and focussed on people.	Maintaining morale, motivation and retention of team is viewed as a critical aspect of leadership.	Pay and reward systems are used strategically to achieve core aims. Also likely to introduce rewards mechanisms other than money.	Are prepared to act rapidly and decisively when required in areas of staff discipline.

## Managing the business

Managing the business in this context refers to the development of financial plans and the management of finances on an ongoing basis. This is an area where individual owner/managers can fail owing to a lack of attention paid to finance. Indeed, the industry has a long track record of tenanted pubs failing. As with marketing expenditure, the investment associated with acquiring professional help in this field can be viewed as cost by owner/managers. This can lead to a tendency for them to reduce the regularity of external help or in extreme cases dispensing with it.

Group 1 owner/managers tend to develop an approach that is appropriate to them and their business recognising their own strengths and weaknesses within this field. They do, however, review their finances on a regular basis and regularly review performance against plan.

Owner/managers are prepared to acknowledge their own strengths and weaknesses and plan for this when thinking about the financial aspects of their business. This can extend to a complete outsourcing of the financial aspects or a hybrid solution.

*If you don't have that you need to be able to accept that, and employ someone to help you to do it. Either you get your accountant to do a bit more for you. For example, I put the payroll together but my accountant does it because it is very complicated, but Colin always does his own VAT because he finds that easy. But we have friends in business that always put VAT through their accountant because they don't understand it. So it's basically accepting what you are good at and what you're not good at letting someone else do it for you. So rather than trying to be Mr Big and I can do the whole thing, it doesn't always work like that. So it's about knowing your limits really isn't it? CF & KF, Pub 10.*

*Yes. It's wonderful, but it's expensive. There are folders, you just put it in all the folders for him and he does the whole scenario. We put all the money together in bags, separate days, put it in the bag and the Z off the till and everything and he banks it and does everything. My manager does the brewery side but I like to check over it because he obviously spending my money! And I don't want too much stock and of course I don't want to be short on anything either. DM, Pub 24.*

In the above the respondent is talking about outsourcing her whole accountancy requirement including the banking of cash, and also delegates purchasing to her manager.

*We have someone dedicated in the office who produces a weekly report, that weekly report goes down to contribution level, to overheads, we know what our overheads are, they've always been consistent. We measure against budget all the time; we have got budgets for everything. Labour costs, food costs, and because we have been around for a while, we know where they should be. So we're smarting if it's half of 1% out. So it's fairly finely tuned. So the weekly report is probably the cornerstone. In the past three years we have gone on to monthly P&Ls which have been invaluable. Visual checking of invoices, always hustling, never taking for granted the deals that come through, whether it's with suppliers, Parent Co or others. And it's always I suppose, asking what's out there, what's on offer. I watch the bank account all the time so you have always got an indicator because the management reports might be saying one*

*thing but let's have a look at the bank account as well. So it's almost like are all the ducks in a row? TY, Pub 9.*

This respondent communicates a great attention to detail where matters of finance are concerned and has implemented daily systems and financial controls, and triangulates this with external reports (bank statements) to ensure that all aspects are controlled. This attention to detail is characteristic of this Group where matters of finance are concerned.

*No. What we do, is we look at the costs and we try, I work in a slightly different way. It's a little bit difficult to budget. When you work for a company, it's a little bit different because a lot of people want to know what is going on. I know my business, I see it every day, and I do comparisons on the costs and things like that on a daily basis. I can see what's going on. My trade transfers into a graph so I can always compare the graphs to the year before so I am always aware of the ups and down, because I always try and beat it. CF & KF, Pub 10.*

## **Managing the business - summary**

With regard to managing the business, Group 1 respondents recognise their own strengths and weaknesses and are prepared to invest in professional help to overcome these. They do communicate that they pay great attention to this area and review performance as often as daily and in the case of one respondent, produce monthly profit and loss accounts. There is evidence of financial planning and budgeting with performance versus last year, annual budgets or both being used. Although there was evidence of various levels of investment being made in their respective businesses there was no evidence of investment appraisal techniques in use.

**Table 7 - Group 1 managing the business summary**

	<b>Strengths &amp; Weaknesses</b>	<b>Managing details</b>	<b>Control systems</b>	<b>Performance management</b>
<b>Group 1 Managing the business</b>	Recognise their own strengths and weaknesses in the field and will be prepared to invest to overcome these.	Are interested and prepared to seek out details and will monitor performance regularly.  Can behave transactionally when operating in this area.	Will introduce management information systems and financial control systems.	Prepare budgets and financial plans and will monitor performance regularly.

## **Summary**

Group 1 respondents differentiate themselves through their well-rounded professional approach to systems and organisation.

The personal values highlighted in the initial part of this analysis occur regularly across the four individual businesses in the Group 1 sample, with the values of care and pride occurring within all four, and enjoyment occurring in three of the four. However, there is an indication within this research that in themselves, personal values are just espoused words and more interesting is the implied expression of these values through management behaviours. It is these management behaviours and approach to management systems and organisation that identify Group 1 as distinctive.

Respondents in this Group demonstrate care for their teams and have a people-centric approach to management. They also display a systems orientation in the widest sense and see their people working within that system but not as numbers, rather as individuals to be trained, developed and grown. The amount of attention devoted to this area by Group 1 respondents would suggest that they enjoy the interactions they have with their teams. Their concern for nurturing people and the organisation brings their value of care very much to the fore.

The propensity to develop both formal and informal systems to monitor and develop customer service within their businesses is apparent amongst this Group. Individuals talk with both pride and a passion for their customer service systems and show diligence and care in ensuring results and feedback are used to develop the business. These systems are developed in operational areas to ensure the consistency and quality of the product and in capturing and interpreting customer feedback. An interesting factor and atypical within the tenanted pub sector is that they tend to adopt more of a low-profile approach to owning and managing their businesses and on the whole reject the notion of 'big personalities' acting as the focal point for all that goes on. They believe themselves to be able to 'sense' how their business is performing and use this 'sensing' together with constant visual inspection to supplement their more formal feedback mechanisms.

The area of marketing the business proved to be a challenging area to explore with respondents in that their definition of marketing seemed to be restricted to advertising and promotion. Nonetheless a number of behaviours were identified in the marketing field with one of the most interesting phenomena being that, almost exclusively, respondents in this Group communicated a level of personal dissatisfaction with the industry and what it was providing consumers. It was from this base that two of the respondents decided to enter the sector and, from a base of dissatisfaction, developed their consumer offer. Within their responses

again they demonstrate care in developing the offer, and pride and enjoyment in delivering that offer to their customers.

In the leadership domain, the people-focussed behaviours identified here are consistent with the literature in regard to the likelihood of transformational leadership flourishing. The owner/managers in this sample communicated a focus on equality of terms and conditions, pay rates and other mechanisms to reward their teams. These are used strategically to attract and retain people. They communicated that they were proud of the businesses and the people that worked for them but were also prepared to act decisively, when required, to uphold morale, motivation and discipline within the team.

Managing the business was understood by respondents to be another crucial area although within the Group there were varying degrees of expertise. However, this proved to be interesting within the study because respondents had the confidence and were prepared to acknowledge where they were weak and to cover this through 'buying in' the required skills. All, however, were focussed on the minutiae and demonstrated a propensity to monitor the performance either formally or informally on a daily basis.

## **GROUP 2 RESULTS**

### **Introduction**

Individuals within Group 2 have a relatively immature approach to managing their business although they may have been involved in the industry for a number of years. Their approach is marked by the enjoyment of owning and managing a pub and the opportunity for social interaction this brings. In contrast to other Groups, the approach adopted could be deemed as parochial, and they display a limited understanding of the skills necessary to manage in the priority areas identified in the pilot. Their approach can be adversarial, and trusting other people seems to be an issue for individuals falling within this category. One of the smallest categories identified, it remains valid to identify them separately as their behaviour is distinctive, particularly in the area of sociability with their customers.

### **Managing staff**

From a people management perspective the approach is relatively rudimentary in terms of their sensitivity towards people, understanding them as individuals, and fulfilling their training needs. Staff tend to be viewed as a 'pair of hands', as illustrated by the following comment with regard to the benefit of sending a female member of staff on a training course, "*and not just being the wench behind the bar*". SW, Pub 8.

As indicated within the opening paragraph of this section, a lack of trust and a cynicism is an emergent theme. Below, the respondent is referring to letting new staff know that they are being watched. This approach is unlikely to dispose staff towards the owner/managers and could contribute to a climate of mistrust.

*But now, if we take somebody on, I watch them like a hawk and I let them know; I tell them what we would like from them and see how it goes. If the till was wrong three times in a row they would get a warning, and say sorry but you have to go. DB, Pub 7.*

Consistent with the extract above, illustrating a lack of trust, people are viewed more as hired help. This approach extends into reward mechanisms where pay levels are not being used by respondents other than in a very literal sense. As suggested in the preamble this approach may not be a conscious choice but relate to their apparent immaturity in managing people. This is illustrated in the following extract where pay levels are discussed in relation to local competition and together with an indication of some sensitivity towards the individual employee. This is however, tempered by a hint of cynicism which further indicates a potential lack of trust within the statement.

*Well, I don't pay more than anybody else really. I pay about the same as everybody else so it's not that I pay them a lot. But I'm quite understanding. Dawn my full-time barmaid last week her TV was being repaired or something like that in the morning, and she said that she might be a few minutes late but I will text you or ring you as soon as I know. So I just said, not a problem I am about any way, no problem at all. As it turned out it was an hour and a half because the guy was late, but it's not worth making a big issue about it, she just worked an hour and a half later in the day. I didn't make an issue of it. She was happy because she got her TV fixed and her kids weren't on her back for the rest of the week. SW, Pub 8.*

There was only limited evidence produced during the interview to suggest that training and development of staff was considered and where evidence was provided this was again linked to a rather cynical perspective.

*Like I said, my full-time member of staff, she has just done an NVQ in bar service so that seems to have...she did actually say that it has actually opened her eyes up a little bit more to the number of things that I have to do on a day-to-day basis and she is quite happy that she did that. SW, Pub 8.*

### **Staff management - summary**

Immaturity, lack of trust and the resultant implications of this for staff working within these businesses is a principal concern within this Group. There is little evidence provided to suggest the respondents consider the role of their people beyond the perfunctory approaches communicated. Pay and reward systems are basic and managed at a mandatory level and there is little evidence of a concern for involving staff in developing the business. The culture and climate of these businesses is unlikely to be supportive, and training and development of staff is viewed at a functional and slightly cynical level.



**Table 8 - Group 2 staff management summary**

	<b>The organisation</b>	<b>The team</b>	<b>Training &amp; development</b>	<b>Communication</b>
<b>Group 2 Staff management</b>	The culture and climate within Group 2 businesses is unlikely to be supportive. A lack of basic understanding will undermine this.	Pay levels likely to be managed at a mandatory level, e.g. minimum wage. Little evidence of an understanding of how to build and manage a team.	Few opportunities will be provided for staff. Training and development likely to be viewed as a cost to the business and as something that may enable staff to move on.	Communication is likely to be perfunctory. Staff are unlikely to be involved in the business beyond the contribution of their job role.

### **Customer service**

Respondents within Group 2 do highlight customer service as critical to their business and recognise the value accrued from customer retention. Their approach to this is through a high level of sociability and friendliness towards their customers. There was no evidence presented for any systematic method of managing customers or customer service. Product quality was recognised as an integral part of the service offer and was seen largely in terms of the physical product, e.g. the pint of beer in the glass. The following quote illustrates these points.

*Obviously the most important is customer service. And each customer to feel welcomed. The pint is very important, they won't drink rubbish if they are paying high prices for it. Cleanliness and good service. DB, Pub 7.*

There is also evidence provided of some insincerity towards customers in involving them in developing the business allied to an approach that could become confrontational:

*These are the rules of the house, abide by them, or you are out. DB, Pub 7.*

Respondents have an approach towards their customers that is highly social to the extent that there exists a blurring between professional and social lives. They communicate that they derive much enjoyment from the social interaction and this seems to be one of the key objectives behind their decision to own and manage a tenanted pub.

*In the pub game you don't know who is coming through the door next. I have had days where my cheeks have ached because I have*

*just been laughing all day. You know, it's good. But it's also like a social. It's difficult to explain unless you're in it. DB, Pub 7.*

This social interaction is given a priority and undertaken at the expense of their own business and is illustrated within the following extract where customers are asked to accompany the owner/managers to another venue.

*On a couple of occasions, John and I had decided to go out and we took half the pub with us, which isn't good business. My Mum works the Saturday night for us, and I think there was 20 of us went up to Sea Breeze in X. So we took about 20 customers away from this pub on that night, which isn't good business. We wanted a night out, one of the guys that come in the pub was playing in a band and we just said right, a load of want to go, we'll just go. We had a really good night and talked about it for another two weeks. They come in most days anyway, so we don't feel threatened if we take them elsewhere because we believe that they will come back anyway. DB, Pub 7.*

To a lesser extent this respondent is talking of building a Group of friends based upon his ownership of the pub.

*I'm a bit of a people person so I like a good old gossip with people as much as anyone else so you are always meeting different people. Obviously you build up a good Group of friends when you are in a pub. SW, Pub 8*

Undoubtedly linked to levels of sociability, friendliness is also viewed as a key factor in managing customer service by this category. Whilst not expressed explicitly, and indeed some commentry to the contrary, there is an air of exclusivity in the responses and some reconciliation by respondents that rowdiness can be managed and does not exclude other customers.

*I think they want to come in see it nice and clean and tidy. They want to feel safe in there, so you haven't got a bunch of drunks at the bar shouting and screaming at each other. And whilst you will always get a rowdy element and it can be part of the pub, having a rowdy element, obviously toning down the language, a quiet word in the ear, most people understand if you just have a word in their ear, I have got other people in the pub. Like Friday afternoons we have a Group of builders come in, they finish at 3pm, straight in here. They are good as gold but some people walking in off the street might be a bit...but they are as good as gold now they know how I work here and they have a certain amount of freedom. SW, Pub 8.*

*Friendly atmosphere I think in the pub is good. It brings people in, they can come in either of the pubs and have a laugh and a joke, no*

*malice and they feel comfortable then they will come back again. If they go into a pub where the atmosphere is a bit frosty and they don't get spoken to or the service isn't good enough and the beer, if that is not good enough, they won't come back. DB, Pub 7*

This is an issue that may not be significant given owner/managers of this type of business do have to listen to customers when they may not want to. However, when this insincerity is linked to strongly espoused values around sociability and friendliness it does become more of an issue highlighting the superficial nature of the customer interaction.

*Throw something into their court they then roll it around, you are going to do what you are going to do anyway but you pass it through them to have a think about and chat with you and bring them round to your way of thinking. DB, Pub 7.*

*All right they might tell you the same stories every time they come in, but you learn to live with that. So you look after your hardcore customers without excluding anyone else that comes in. SW, Pub 8.*

This comment also supports the notion highlighted earlier regarding exclusivity arising from the social/friendly approach.

Respondents identified product quality as an area for attention. The evidence does, however, suggest that this is at a relatively basic and literal level, focussing on individual items as opposed to the more holistic all encompassing approach communicated by other categories.

*Making sure I've got availability of stock. I have a delivery once a week from Parent Co. Making sure the place is looking clean and tidy, little things like if a light bulb has gone, if I can notice it customers can notice it. It is not a key thing of why people are going to come in the pub, but if there is a list of things that they draw up in their head that they might not come back for, attention to detail and things like that. If the soaps run out in the toilet or if there's no toilet roll, just simple things like that, just to make sure that people want to come back. SW, Pub 8.*

*The pint is very important, they won't drink rubbish if they are paying high prices for it. Cleanliness and good service. DB, Pub 7.*

*It's just important to get across to the staff that if you don't want to drink out of the glass, make sure nobody else drinks out of it. SW, Pub 8.*

*When we came in here, the beer was pretty cheap but we couldn't afford to sell it that cheap because there was no way we're going to make any, well not even make any money, make the rent and everything. So the first day we came in, cleaned all the lines to make sure it was going to be a good pint, and I think on average I think*

*we put the pints up by about 20 or 30 pence. I worked the first week, because my husband would have told people to f off, in not so many words. DB, Pub 7.*

### **Customer service summary**

Sociability and friendliness replace management techniques as a means of delivering customer service. This approach is subject to a lack of sincerity with customers which in turn is at odds with an indication that customers are an integral part of the social lives of respondents. Product quality is considered literally at an item-by-item level, and any evidence of an understanding of product quality as an all-encompassing or holistic 'feel' about the business was lacking. There were some indications within the data that the approach could become confrontational if customers did not agree with policies implemented by the owner/managers.

**Table 9 - Group 2 customer service summary**

	<b>Systems</b>	<b>Personality</b>	<b>Watching &amp; listening</b>	<b>Product quality &amp; consistency</b>
<b>Group 2 Customer service</b>	<p>No evidence of customer service systems.</p> <p>Sociability and friendliness replace more formal approaches.</p>	<p>The role of personality and the ability to socialise with customers seen to be important.</p>	<p>Closeness to customers likely to hinder process of observing customer behaviour and listening to their needs.</p> <p>Some evidence of a potentially confrontational approach.</p>	<p>Considered and viewed on an individual item-by-item basis.</p> <p>No evidence of a wider view being adopted.</p>

### **Marketing the business**

As with other categories, marketing again proved to be a problematic area to discuss. There was an implied understanding of their offer and this was mainly around meeting their own needs and the needs of their regular customers with whom they are inclined to socialise. Some advertising is undertaken around specific events and competitors are considered within the confines of comparisons on pricing.

There proved to be little evidence within the data that this category of owner/manager considers the offer being provided and any understanding of this concept again appeared to be at basic levels.

In the following extract the respondent is defining the offer around the social interaction that takes place in a public house and which meets the needs of the owner/manager for social interaction.

*Because a lot of people that are coming in the pub are there for the social side of it. It is not necessarily the drink they come in for, they might have a Coke or something, but they are looking for someone to talk to, a bit of banter and they might not be getting that elsewhere so they feel it's important to get it at the pub. DB, Pub 7.*

Thoughts regarding the customer experience are limited to providing a vehicle for social interaction and developing activities to ensure that the pub is patronised regularly.

*A lot of the really regular customers are part of our pool teams, darts team, things like that. That gets them coming in on, pretty much the same nights, we have pool on a Monday. We brought that from nothing, no teams at all, now we are up to two teams, two darts teams this is the first time we'll be in the summer league for everything. So that's the bread and butter, that pays the rent. Because you know the same people are going to come in at the same time every day. SW, Pub 8.*

This group, on an ad-hoc basis, undertakes advertising when they have something to say. They seem to be more open to the medium than some other categories and may relate to the local and somewhat parochial focus of these individual owner/managers.

*I haven't done advertising for a while. I did advertise in the Advertiser, the local free paper, for quite a while just to get over that it was under new ownership. I've done flyers around the town, bits and pieces like that when we had an Elvis night. Beach Radio have a gig guide so we are on that every week for the music we have every Saturday night, they call us on the Thursday so we are in the gig guide. The Bank Holiday weekend, we have got a big Group, Matrix, playing here so I will put signs on the lampposts and things like that because they have a big draw and they normally bring their own posters in as well. Just things like that really. Apart from that, I haven't really done a lot of marketing stuff really. SW, Pub 8*

Competitors are viewed in a relatively adversarial manner and comparisons with them are restricted to pricing, as the focus of the individuals in this category is their immediate local market. There is some implication within the data that this adversarial approach could extend into a form of price war. This said there is also evidence of an understanding of the relationship between price and value.

*That's my cousin's down the road. That goes down really well. We are not in battle with her, we do our own thing basically but if prices go up or go down, which my cousin did do when we came in here and dropped all her prices, which we couldn't afford to do, it's cut-throat really. DB, Pub 7.*

*I don't think people are necessarily that price sensitive. SW, Pub 8.*

*The amount of stick I got because the beer had gone up, people telling me to stick it. I was telling them the price before I pulled the pint because I knew people were going to walk out, it was a big hike. I had a couple giving me a really hard time. But now those people are the ones that are here everyday, and if somebody says anything, it's 'this is our pub, it's a good pint, it's a decent price', because the prices around the area have gone up so we are probably just about even with the pub down the road and the one up the road. DB, Pub 7.*

*Quite often on a Monday afternoon, Monday is mainly my day off, I will have a wander down the high street, couple of pints to see what's going on, seeing how much you are being charged for your drinks, things like that. SW, Pub 8.*

## **Marketing summary**

In common with other categories, marketing proved to be a more challenging area to discuss with respondents. In developing the customer offer it is clear that there is an overlap between the individual owner/manager's requirement for social interaction and how they choose to develop their offer. Acknowledging the customer experience was weaker than other categories, and competition was viewed principally in an adversarial mode. Although with a local bias, and somewhat surprisingly, advertising is viewed positively and used tactically when there is something to be said. There was no evidence within the data to suggest any thinking about customers in terms of categorisation, listening to their feedback and using them beyond superficial input, to develop their business.

**Table 10 - Group 2 marketing summary**

	<b>Developing the offer</b>	<b>The customer experience</b>	<b>Advertising &amp; promotion</b>	<b>Competitors</b>
<b>Group 2 Marketing the business</b>	<p>Will be based upon high sociability, at times potentially at a cost to the business.</p> <p>Offer could be exclusive to certain Groups that do not fit the social needs and requirements of the owner/manager.</p>	Acknowledging the customers' need for an experience is likely to be weak and based upon traditional models of Pub social interaction.	Will have a propensity to use advertising on a tactical basis in own local area. Ad-hoc and informal approaches may be adopted.	<p>Viewed with some suspicion and as adversaries.</p> <p>Comparisons limited to prices.</p> <p>No evidence of competitors being seen as a potential source of learning.</p>

## Leadership

As suggested earlier, leadership style and management style are closely linked in businesses of this scale. Owner/managers are often working alongside staff and this can serve to blur the boundaries between somebody managing and acting in a leadership capacity. This is the case for this particular category of owner/manger where they have an overriding propensity to act in a transactional manner. Trust is a recurrent theme with owner/managers in this category and this reveals itself when discussing leadership.

*Trustworthiness is the biggest thing. When we first started Pub 7, which was our first ever pub. We had a house to sell and Pub 7 was in a terrible state, the living accommodation was unliveable, so we were going backwards and forwards to the house. When we went in on the tenancy we also got a member of staff who was completely telling us he could run the pubs hands tied - brilliant. So we relied on that so we could do what we had to do with selling the house and everything. When we did a stock check we were £800 down. So things were going over the counter that was not being paid for. The till was hardly ever right, but we needed him, although we knew the stocktake was terrible, we had no other option at the time. He gave us time to go out, sort the house out, sort the accommodation at the pub. But now if we take someone on, I watch them like a hawk and I let them know, I tell them what we would like from them and see how it goes. If the till was wrong three times in a row they would get a warning, and say sorry but you have to go. DB, Pub 7.*

This extract, whilst highlighting a problem that led to lack of trust, does also demonstrate naivety and a transactional nature to advising staff what is required from them. This also led to a policy within this business of then only recruiting family.

*Well family I've got no problem with because they are family they are not going to rip us off. And friends that I have known also I believe aren't going to rip us off which to date they haven't. It could happen I suppose. DB, Pub 7.*

In the following quote, the respondent is referring to the behaviour of staff when the owner/manager is away from the premises.

*It seems to work in cycles, it seems to be alright, if you see things slip you have a little crack down but unfortunately it's the nature of beast. If it's not yours you will tend to, maybe do it to a certain level and then it will slip slightly until you get pulled back up again. And I think that's always as it has been especially in this industry where people come and go quickly. SW, Pub 8.*

### **Leadership summary**

With regard to this category of owner/manager it is difficult to discern a leadership style from responses that are parochial and operational in nature. In common with other areas of managing their businesses, there is little evidence of systems or indeed any thinking beyond the immediate issue being tackled.

**Table 11 - Group 2 leadership summary**

	<b>Focus on people</b>	<b>Morale &amp; motivation</b>	<b>Strategic use of rewards</b>	<b>Acting decisively</b>
<b>Group 2 Leadership</b>	The culture and climate in businesses within this category is unlikely to be supportive. Mistrust and an unforgiving style of leadership are likely to prevail. Likely to recruit family and friends.	Unlikely to be a consideration in any systematic way.	Unlikely to be a consideration.	Decisive action is likely. This could be summary in nature and precipitous.



## Managing the business

The definition of 'managing the business' is detailed within this section in Group 1.

Group 2 respondents, with regard to managing the business, seemed to be relaxed to the point of bordering on the blasé. There was some bemoaning the amount of paperwork to be undertaken by one of the respondents and, in common with other categories, one respondent did review the bank account of the business on a daily basis. The individuals within this category do have some systems for managing their businesses at a basic level.

*On our financial side, I'm from an admin background so I work with Excel, Word, I do all of that. So what I do is break down on both pubs exact bills and I pay everything by direct debit anyway so I know each month I've got a certain amount of money coming out and I budget basically. I know each month how much both pubs have got to take to break even with wages, your general petty cash and your beer and just keep an eye on it daily really. DB, Pub 7.*

*Just knowing that you've got to do your VAT returns, PAYE, just simple things like that. Keeping on top of paperwork, as you know there is a hell of a lot of paperwork involved. And It's just a case of trying to keep on top of it. Sometimes it's easy to leave the paperwork upstairs because you want to be down here. SW, Pub 8*

## Managing the business - summary

This category has the necessary basic systems in place to ensure that their businesses can function on a daily basis. However, a lack of willingness to talk more widely about their business financial systems and processes suggests that there is probably little more in existence.

**Table 12 - Group 2 managing the business summary**

	<b>Strengths &amp; weaknesses</b>	<b>Attention to detail</b>	<b>Control system</b>	<b>Performance measurement</b>
<b>Group 2 Managing the business</b>	Have internal systems which fulfil their own needs.	Likely to monitor bank accounts and finances daily.	Cash-flow and generating enough money to pay overheads.	Limited to a knowledge of break-even point.

## **Summary**

These respondents are differentiated by their focus upon the social opportunities owning and managing a pub provides for them.

The personal values espoused by this Group of respondents were limited to single mentions of enjoyment, freedom and pride. Within the analysis the evidence indicates a Group of owner/managers who focus their attention on the social opportunities of owning and managing a tenanted pub offer.

The climate in Group 2 businesses is unlikely to be supportive, as a basic lack of trust will undermine its positive development. Pay levels are likely to be managed at a mandatory level, e.g. minimum wage, and there will be few attempts at building and managing the team. Staff will be viewed as 'hired help' or 'another pair of hands'. Few opportunities will be provided for staff training and development as this is likely to be seen as an unnecessary cost on the business and will make staff more valuable to other prospective employers thus enabling staff to move on. Communication with staff is likely to be perfunctory and people are unlikely to be involved beyond the realms of their job role.

Whilst Group 2 respondents do highlight customer service as vital to their business there appears a lack of clarity around their customer offer, and their worldview is at a localised level. Sociability and a superficial friendliness replace more developed customer management techniques as a means of delivering service. The approach can be the subject of a lack of sincerity, which in turn is at odds with the indication that customers are an integral part of the social lives of respondents. Respondents within this category demonstrate a tendency to be adversarial with competitors and with customers who communicate or dissent with the policies implemented within the businesses. Product quality is considered literally at an item-by-item level and there is no evidence to suggest these individuals conceptualise their business in any way other than as a sum of component parts as opposed to a more holistic or systems view adopted by other categories of respondent.

In common with other categories, and in common with many of the respondents within this study, marketing proved a challenging area for discussion. In the development of the customer offer it is apparent that this category of respondent will feel a tension between, and consciously create an overlap between, what they require to fulfil their social needs and what might be appropriate for the wider business. The acknowledgement of the need to create a customer experience was lesser than in other categories although much of the experience will be provided by the social interaction. Advertising and the opportunities it provides were viewed positively by the Group and will be used tactically in their own local market. There was little evidence within the data to suggest any

thinking about customers in terms of categorisation, listening to their feedback and using them to help develop the business.

Financial management skills within the Group can at best be described as adequate and there is no evidence to support the use of external assistance in this area or of detailed financial planning.

## **GROUP 3 RESULTS**

### **Introduction**

Group 3 owner/managers adopt a more traditional approach to pub ownership and management. One of the larger categories, Group 3 is characterised by having a clear focus on the customer as well as being discerning about the particular customer they are targeting. They are also clearer and more confident about the offer that they are providing to the market. They typically have a thorough understanding of the industry from the perspective of a tenanted pub owner/manager and they will attitudinally be quite conservative regarding change. Their approach to staff management is traditional in nature and they take a positive interest in the people that work for them. Leadership is likely to be taken seriously and they can have a propensity to have a confident view of and believe themselves to be amongst the leaders within the pub owner/manager field.

### **Managing staff**

Group 3 respondents do provide a sense of organisation within their businesses and staff are viewed much more than just a 'pair of hands'. The more traditional and more parental approach of Group 3 respondents is encompassed in the following quotes:

*Well, if you have got any sense of responsibility about the business you have got to think that everybody who works for me behind that bar is a very important person, because they are here when I am not and I want them to be happy. So they need to be working in an environment where they are happy and also when they go home they need to know they have got a few quid in their pocket. FV, Pub 26.*

*To employ the right people to represent you when you are not there. JH, Pub 27*

Respondents within Group 3 also recognise the benefits of communicating with their teams of people. Where this is in regard to the individual's job role they seem to employ a parental tone, notices and job cards to reinforce communication effectiveness.

*Because of the complexities of having two of us looking after the cellar now, where it was just me, I knew what I'd done and when, now we have a blackboard in the cellar which communicates with each other as to what we have cleaned when. LK, Pub 28.*

*But, at the same time, they know that there is not a lot to do, I won't do it for them. If they are not doing a lot in the kitchen and there is a table to clear they know that I won't do it. All I have to do is go into the kitchen and go like that...right we're off. CC, Pub 33.*

Training does take place within these businesses, and staff are encouraged, albeit at a functional level. This more functional approach is a distinguishing factor for this category and represents a significant difference from the approach adopted by Group 1.

*The new chef who is South African and the new comis chef in the kitchen, they tell me they have had health and hygiene courses but I am not very happy with what they have got so I am now spending £100 to send them to Suffolk Coastal and get them on the proper health and hygiene course. For my benefit because I know if the health people come in and things aren't right it comes back on me, at least if I have put them on a course, at least they know what they are talking about. SIC, Pub 20.*

*The staff are clear, they know what we expect because obviously if we recruit somebody then they are trained to know how we expect our customers to be treated, how we expect the tables to look. CC, Pub 33.*

As suggested in the two illustrations above training, is provided but with a specific focus upon the needs of the business and the individual's ability to carry out their role satisfactorily.

Whilst these businesses employ significant numbers of staff, there is no evidence of management hierarchies being developed and the owner/managers see themselves very much in the lead role, which is often hands on, as they see themselves as the principal contact for customers. This is demonstrated within the following comments.

*As soon as you start putting them under a lot of pressure, then they start making mistakes, they start to cut corners and we don't want that. So we would rather turn around and be hands on and do it ourselves to help them out to catch up and once they have caught up they are away again, they are quite happy. But if they say, 'Oh we have got to clear tables, get the starters for them, and someone wants a sweet...' So I say it's OK, I'll do it I'll take it out, I'll take the sweets out, clear the tables and bring the starters back. Just doing that it only takes five minutes. CC, Pub 33.*

In the following extract, the respondent is communicating the value of the staff involved but is firm in the view that the customer's main reason for patronising the pub is because of a liking for and a trust in, the owner/manager.

*I think it just goes back to the fact that they need to like me. Its no good liking my staff, if they won't come back because they don't like me. They trust me, I don't get any problems, and some prices go up, because they never come down, do they? They need to like me and*

*the wife, we are all a package here. We have got a couple of girls that work here that are superb behind the bar. But it's very easy to say I only go to Pub 26 for Julie because she's gorgeous or whatever, but that's not what it is. If somebody didn't like me, they wouldn't give me their money. It's as simple as that. FV, Pub 26*

Reward systems are used by this category to retain staff and there are limited indications of owner/managers using other incentives to acknowledge the contribution of their people. They are inclined to pay higher wages, which they see as a means of retaining staff, and also indicate that they are prepared to do other things for their staff beyond basic pay.

*They are well paid. If we have got people who work here who have a full-time job then they get paid the same as everybody else to do a bar job, but then Elaine pays their income tax for them. So in actual fact you actually get a good barmaid here, Kate who worked here for about five years, trying to becoming an accountant, she has now had to jack in the bar work which is a shame because she was really good. I think she got about £5.50 an hour which isn't bad for Cambridge bar work, or £6.00 an hour or something like that and Elaine paid her tax on top, so in actual fact she was probably on about £8.50 an hour. They all get, you don't know what people are probably like in pubs, but you get so many shysters. JH, Pub 27.*

*You pay them quite well, but that isn't enough. I do pay them more than most other people. MB, Pub 29.*

In this extract the respondent is making the link between staff morale and service levels when he is absent from his business.

*So they need a working environment where they are happy and also when they go home they need to know they have got a few quid in their pocket. We are organising a day out at Walthamstow. I told the girls I want them to go and I will pay for them, so it's also little things like that. It's that take, take, take but give a little bit back. FV, Pub 26.*

### **Managing staff - summary**

The approach to managing people within Group 3 is likely to be relatively traditional. The culture and climate within the businesses is liable to be supportive, and staff will be rewarded well relative to the local market. Although likely to be informal, there will be a clear delineation with regard to decision-making. Training and development opportunities are likely to be restricted to those that enable the staff member to undertake the job at hand more effectively, and generally training may be viewed more as an expense than an investment. Communication within the business will

be regular, clear and concise with what are deemed to be important matters supported in writing.

**Table 13 - Group 3 managing staff summary**

	<b>The organisation</b>	<b>The team</b>	<b>Training &amp; development</b>	<b>Communication</b>
<b>Group 3 Staff Management</b>	<p>Likely to be relatively hierarchical with decision-making residing with the owner manager.</p> <p>The climate within the business is likely to be paternal in nature.</p>	<p>Staff will be viewed as important, and reward systems will reflect this.</p> <p>Reward systems may extend beyond basic pay as a means of maintaining morale and motivation.</p>	<p>Training and development opportunities will be limited to those required to enable to carry out their job role effectively.</p> <p>Training is likely to be seen more as a cost than an investment.</p>	<p>Clear communication channels will exist with staff and, where appropriate, supported formally in writing.</p>

### **Customer service**

The marked difference with category 3 respondents over and above other Groups of respondents was their strong work ethic. Throughout the interview process, it was clear all that these individuals worked very hard to ensure the success of their businesses. Their comments regarding the difficulties associated with this were communicated in a positive and enthusiastic manner.

*And take it as not a job, but a way of life because it is not a 9 - 5 job. You have got to try and please the customers because without customers we haven't got a job. That is the main thing, but I think so many publicans forget that. Some pubs, you wonder why you go into them because they just don't want customers. I think why are you actually in this business? And sometimes I feel like that, but I try not to show it. SIC, Pub 20.*

Category 3 respondents view customers and customer service as critical to the success of their business and in this regard they are positively disposed towards their customers. Consistent with their approach to staff management, they do believe that they exercise a high level of control over the people who frequent their establishment and want to provide a clean, safe environment for them to enjoy themselves. This believed control can, at times, extend into a more parental tone than with some other Groups. Their customer offer is based upon own personal preferences, and there is little evidence provided to suggest that this

category goes out of their way to listen to customers. In short, they believe they know best. The following extracts illustrate this point.

*Be able to speak politely to someone who has complained about not having carrots in their veg, which to me is a ridiculous question, well that's the veg, that's in season, I'm sorry that carrots aren't there from Kenya, I'm not serving that, I've got broccoli, which is from Norfolk and people can't understand why you are serving English veg and not Kenyan carrots. RR, Pub 13.*

Respondents were less strong than some other categories in developing customer service systems. They are confident individuals who demonstrate a strong internal locus of control and therefore believe that through experience and personality they can manage customer service. There is evidence, however, to suggest that they are systematic around developing approaches to cleanliness, hygiene, safety and administration.

*The cleanliness of the place. We have got four scrubber machines that scrub these floors every month or so. The painting, Matt and I are always painting, the place is so huge it can get away from you so we try and keep on top of it and it still looks grubby now. There are not enough hours in the day to do everything we want to do. And we have to keep on top of the menu, which is my thing. Elaine does the office work, Matt does absolutely everything, I keep on top of what beers we are going to order in from the guest beer list and food. Basically it's what a lot of people would consider extremely hard work. I come from a line of workers and we've always worked. Always will, both my sons do, it's just sort of born into us. JH, Pub 27*

This comment illuminates the focus upon cleanliness and hygiene, and indicates some use of systems around developing the product offer linked to customer service. This approach is supported in the following comment as customer service questions elicited rather simplistic and basic responses around hygiene factors.

*We constantly monitor what is going on within the pub, or with the glassware. I ensure that the equipment is clean and working properly. I look after, or my son now, looks after the glass washer and that's cleaned every single day. The icemaker and the equipment that is needed for our girls. We keep a constant monitor on the toilets and the hygiene of the pub. LK, Pub 28.*

The personality of the owner/manager and the role this plays in management and development of the pub are seen as important by this Group. They are typically gregarious individuals who believe their customers want to engage with them.



*During lunches and dinners as well, I make a point of going into the bar and seeing all the locals as well and having a chat. I think if you are going to be in this business you have got to, especially as this is a village pub, you have got to be seen to be working and participating in what is going on to make it work. In town pubs, you can get away with hiding, in village pubs you can't, they know who the tenant is, they know who is running it, they want to see that person there, which is fair enough. RR, Pub 13.*

In this extract the individual goes so far as to suggest that a licensee who is not 'out there' with their customers is hiding. They also see it as their role to get different Groups of customers talking together and use their personalities to facilitate this.

*I will try and start a conversation with them. Get them talking to them, and then I'll leave them talking to them. CS, Pub 2.*

These respondents also bring their personalities to bear as they emphasise the personal nature of the customer offer they have developed. They also are forthright about the things they value and can transmit these values towards their customers. There was evidence to suggest that some listening to customers takes place but, in many ways, the views of others are drowned out by force of personality. The following examples illustrate.

*I know what I like, I love flowers around the place. That is the difference between me and the Swan or the Crown. I love having all these personal things. They love having tea trays in their room and they love having flowers in their room. They make it so much, I mean we are only a little place, but they make it, they make the things that everybody who writes in the book says, it is that home-from-home feeling, flowers in your rooms, chocolates in your room. Just these little things, these little touches, flowers in the ladies toilets, just little things but these little things are what people remember about the place. Yes, and changed it completely. And the menu well I didn't change it completely because we had fresh fish and things like that, but always people go for the chicken teddies, which are all that horrible, I can't cope with that. So no, I'm not giving...especially now that I'm a grandmother so I now, well I'm not going to give my grandson that, so why should everybody else have to give it to them? SIC, Pub 20.*

Some limited evidence of listening tempers this.

*We listen to what they want. Take on board their suggestions. Listen to comments they make when they think you are not listening, are important ones as well. We sort of put the suggestions they made*

*back to them in a different way and see how they react. If we think they are viable, we will give them a little go. IW, Pub 6.*

However, as suggested earlier the strength of personality and personal preferences does manifest itself widely with this particular Group of respondents.

*They might even put a jukebox and fruit machines in, which I refuse to have. I don't want fruit machines because it changes the whole complexion of the place. Because they are just ugly, and they drive me up the wall, and not only that but it brings the wrong sort of people in here, you do actually get people around X who want to go into the pub and play fruit machines. JH, Pub 27.*

In summary, customer service is seen as extremely important for category three respondents, but on their terms. They demonstrate a strong work ethic in managing their businesses and take things personally including the people they believe they are allowing into their establishment. Their strength of personality and belief that they know best overrides many other approaches that they could adopt, such as listening to customers more. This said, there was limited evidence provided to suggest that some listening does take place. Less strong than some other categories in implementing customer service systems, any processes and procedures they do implement seem to be around ensuring health, safety and hygiene are of the standard required. These matters, whilst extremely important, are hardly order-winning criteria or differentiating in the face of fierce competition. They tend to be large and forceful personalities with a strong internal locus of control, and view the ownership and management of licensed premises as being linked with personality. They will be inclined to 'project' their personal preferences onto customers. They see engagement with customers as a primary role of theirs as the owner/manager and see non-engagement as a weakness. They demonstrate a belief that they are creating something different and new in the market based around their own personality. Product quality is viewed as sacrosanct amongst this Group.

**Table 14 - Group 3 customer service summary**

	<b>Systems</b>	<b>Personality</b>	<b>Watching &amp; listening</b>	<b>Product quality &amp; consistency</b>
<b>Group 3 Customer Service</b>	Less strong than some other categories. Their confidence and strong internal locus of control means that they do not always see the need for systems to manage customer service. They do, however, introduce systems to ensure safety and hygiene matters that this group link with customer service.	Tend to support the view that owning and managing tenanted pubs is about personality. Typically gregarious individuals, they believe in one-to-one engagement with their customers and see non-engagement as a weakness.	Little evidence is given of listening to customers. Personal preferences will be projected onto customers and arrogance may arise in their approach to developing their offer.	Their strong work ethic comes through in their approach to product quality which they link directly to matters such as cleanliness and hygiene. These individuals do consider their customers when developing their offer. However, developments are based upon instinct as opposed to any form of scientific evaluation.

### **Marketing the business**

Clarity of offer, product quality and consistency are the principal components of the marketing approach for Group 3. The quality of their product range and how their products are served is seen as key to attracting and retaining customers, and Group 3 individuals are prepared to engage and advertise with media that support this view. They will work at developing the customer experience but, owing to their traditionalist views and approaches, developments are likely to be at best incremental. They will be inclined to take the lead and will exercise control over most things that go on within their establishments, particularly in regard to wet products [beer, wine, spirits and soft drinks]. Group 3 respondents will be clear over the customers they wish to attract to their business and equally clear as to those they do not wish to attract, and believe that they exercise control over this. Competitors are likely to be viewed slightly negatively, and monitoring of their activities will be more covert. This monitoring will, however, provide category 3 owner/managers with a critical and in-depth knowledge of market retail pricing.

Group 3 respondents are characterised by their clear view of their offer and the niche within the market that they are looking to fulfil.

*So what we are doing is we are deliberately not putting on Sky sports, we don't have loud music, we are specifically not in*

*that...that's why they come back. We give them a cleanish, tidyish, hopefully for most people a good experience when they come out. MB, Pub 29.*

Here the respondent is communicating the traditional nature of the offer together with how the business is positioned in the market.

*We are basically a food pub rather than a drinking pub, and we make sure we go out of our way to know what they like, even if people come in who have special diets. I buy locally, so I've built up a rapport with the local butcher and this sort of thing. I use a local frozen food supplier so they know what I want, I am able to buy small quantities of things because I would rather do that, so it is basically buying local produce and again you are back to that hands-on thing because we when the delivery comes in, we see it immediately and if it's not right, take it back. CC, Pub 33.*

The respondent above communicates the market position of the business and the role that local suppliers play within that offer.

The positive outlook of this category is continued. However, as in the field of customer service, it is based upon the business they wish to run and how they wish to operate it.

*We are a little bit more expensive. Parent Co Bitter is about 5p more expensive than other pubs around here that sell it; I have to say it is what I have to pay. I say what do you want to do then? If you want to come to Pub 27 for the evening, meet your mates, have four pints, go home. Or meet your friends, have a bite to eat with your missus and all this sort of thing. Come to Pub 27, so what do you do? Do you think, well I won't go to Pub 27, I'll go to a pub I don't want to go to and when I go home I'll be 20p better off. It's nonsense. So no it's not luck, it's the way we do it. JH, Pub 27.*

*Well, it is the atmosphere we portray and it's the customer base that I let come in here. FV, Pub 26.*

In the latter illustration the respondent is talking about the customer experience. However, also integral to the quote is a self-confident, almost arrogant attitude encompassed in the words 'the customer base that I let come in here'. This approach, archetypal, traditional pub landlord, is a distinguishing factor amongst this category.

Media advertising tends to be rejected by this category. However, they are inclined to be drawn towards publications that showcase their products and their product quality. They will also be inclined to support local activities and other local businesses.

*It will come up on the CAMRA site, we are in the Good Beer Guide, which is where most people in the target market will look for a pub anyway. MB, Pub 29.*

*On occasions when we were doing something different, like we are about to launch all-day food in the kitchen, we will then put more of a major advert in the local papers then just to let people know, because we have gone so long with just doing two hours. I think that is something that people in the town need to know that we are offering food all day. We do Christmas ads and that, but otherwise, we will do supporting adverts for different organisations. The hairdresser, she has just started a sun-tanning bed, and she did an article and we were asked if we could do a supporting ad, which we did. That is more of a reward or a thank-you to her I suppose because she was a customer and it was a way where we are able to share out. We do try and use local people anyway, local builders, where we have a choice, yes very much so. Local decorators. LK, Pub 28.*

*We did when we first came here. We went in all these books and things. Especially for the B&B, on the forms when they come we say, "how do you hear about us?" and they usually say they heard about us in a book or off our website. We usually try and find out where they come from. I don't spend any money at all on advertising. And after nine years it speaks for itself really. SIC, Pub 20.*

*I have always found that for me personally it doesn't work. I have the chalkboards outside. Where I am, especially summertime, I'm looking to attract holidaymakers, so by the time they read it on a Thursday, they are going home on the Saturday so it's a complete waste of time. I just write everything on the board and it seems to work for me. CS, Pub 2.*

Whilst possessing a slightly broader focus than some other categories this category of respondents does take competition seriously and attempt to monitor their performance. The approach has a tendency to be covert and there is a feeling given by responses that it is not something they feel good about undertaking.

*They really did go for it and I was thinking we really have got some competition here. One day when Jon Sims was here, when their dray was unloaded, I'm counting the barrels that's going in and what's coming out. Jon said 'what are you doing?' and I said I'm counting the barrels that come in and out and he said 'you're sad you are' and I'm not I know what I'm doing, I'm having a look, I want to know. They are not going to show me their books. Anyway, that was last May and they went four weeks ago. JH, Pub 27.*

*We then noticed when we were going out that we were being watched very much by the landlord wherever we went and it almost made you feel uncomfortable because I've always felt that the*

*customer has X amount of money to spend, they will spend it where they want. If they spend it all in here, then wonderful but I don't see that I'm in a position where I'm going to complain or make comments to them if I find them in another pub. They all drink in different establishments for different reasons, but I felt as though we were being watched as though we were trying to in a way poach their customers, which we weren't so in the end we said right, we don't go round the other pubs now we tend to remain very much here. But we do get a lot of feedback from customers who tell us what's going on. LK, Pub 28.*

*That's where I take my, I take it as what everybody else charges. I know, for example, I know Martin is paying the same for his beer as I do, but I know that John is paying less for his because it is a freehouse. In food I tend to charge what I can get away with for what I'm putting out using those other pubs as a guide for what I do. I'm trying to develop a market at least. When the place is full every night the prices will go up, but until then, I've got to sell the food. I've got to sell the food that I want to sell, I'm not going to sell the food that everybody else sells. RR, Pub 13.*

## **Marketing summary**

Group 3 respondents are clear about their offer to the marketplace. Product quality and consistency are given a high priority and they are prepared to engage and advertise with publications that support and emphasise this quality. They do work at the customer experience, but any developments are going to be on their terms and they are more dominant than others in the way the business develops. They are clear about the customers they wish to attract and equally clear about customers they do not wish to have involved with their business and believe that they exercise control over this. Their approach is relatively conservative and any change will be incremental. Competitors are viewed slightly negatively and are monitored in a more covert manner. Reminiscent of the archetypal pub landlord, Group 3 respondents tend to have a positive outlook and broader worldview towards marketing.

**Table 15 - Group 3 marketing summary**

	<b>Developing the offer</b>	<b>The customer experience</b>	<b>Advertising and promotion</b>	<b>Competitors</b>
<b>Group 3 Marketing the business</b>	The offer is developed using the owner/ manager's own expertise.  Firm views as to what the offer should be prevail.	Concern will be shown in respect of the customer experience. This will be defined by product quality and consistency.  Some perceived selecting and control of the customer base might be evident	As with other categories these people will generally be rejecters of advertising and promotion that is seen to be unfocused.  Will be prepared to engage with media that showcases product quality.	Will be viewed slightly negatively.  Monitoring will take place but this is likely to be covert and ad-hoc.

## **Leadership**

Leadership amongst this Group tends to be 'hands on' and in a more traditional vein and more functional and transactional in nature. There is little evidence provided of developing people or the adoption of more contemporary management and leadership techniques. There is evidence of care for staff and this is provided in a more paternal manner than some of the other categories. This approach is consistent with a 'father knows best' approach that is a recurrent theme within this Group in other areas such as customer service and developing the consumer offer. Again, with businesses of this size, it proved difficult for individual respondents to discriminate between leadership and management.

*As far as I'm concerned, I no longer see it as my job, I do serve behind the bar some of the time, that is not my primary function, my job is to make sure the place is there and people want to come in and staff that fulfil it, so it's a management role mainly. MB, Pub 29.*

Leading by example can be described as the dominant leadership style within this category. They are individuals who know and understand their respective businesses well and often communicate their thoughts and ideas for the business through physically showing staff what to do.

*I think it's this hands-on thing, we lead by example. The staff are clear, they know what we expect because obviously if we recruit*

*somebody then they are trained to know how we expect our customers to be treated, how we expect the tables to look, but it is a hands-on thing. CC, Pub 33.*

*I don't tend to delegate a great deal, I tend to be hands on in all of it really. So there is nothing that goes on here that I don't know about, I'm sort of like the everyday scenario, my set-up here is that I have my daughter here with me, she is my manageress and she takes after me big time really, so she is me. Basically that's how we sort the business out. FV, Pub 26.*

*You have to have a lot of patience, tolerance. You have to remain very calm under quite stressful situations. When we had a lot of violence in here when we first came in, which was something totally alien to me. LK, Pub 28.*

There was some evidence produced to suggest pay systems are used to attract and retain staff. This was, however, quite limited.

*You pay them quite well, but that isn't enough. I do pay them more than most other people. MB, Pub 29.*

*The pay is above average. We have to because we are so out on a limb here because there are no buses they have to have their own transport. SIC, Pub 20*

Within the following illustration the respondent is beginning to establish the links between leadership, staff morale and motivation and customer service however, this is not as well developed as in category 1.

*Well somebody has to be at the top to guide I suppose. Somebody has got to be there to ultimately, where they can turn to for their answers and where they look for what's going on with the pub and how we are going to develop things. I think they are all keen to see the business do well and they get a level of excitement when they know different things that we are planning and different things that we are doing. That's passed on to them and they in turn pass quite a lot of that on to the customers. LK, Pub 28.*

## **Leadership - summary**

Hands-on in approach, leadership within this Group is somewhat confused with day-to-day management practices. The individuals themselves can be charismatic and possess dominant personalities, but leadership within the Group is undertaken at a basic transactional level with the individuals retaining power within themselves and making all decisions. There is some evidence of pay levels being used to attract and retain staff, and limited indications of this category seeing their business in a more holistic light than some other categories.



**Table 16 - Group 3 leadership summary**

	<b>Focus on people</b>	<b>Morale &amp; motivation</b>	<b>Strategic use of rewards</b>	<b>Acting decisively</b>
<b>Group 3 Leadership</b>	Within this category people will be a focus.  The approach is, however, likely to be parental and more transactional in nature.	Morale and motivation amongst staff may or may not be at high levels.  The likely charismatic personality of the leader may lead to it being an interesting place to work.	Limited evidence of rewards being used in a strategic manner.	Decision-making resides with the leader. Therefore decisions are likely to be taken quickly. A lack of checks and balances within the system could lead to difficulties when encountering unfamiliar decisions.

### **Managing the business**

Experience and their own self-confidence would suggest that Group 3 respondents have a relatively firm grasp on the essentials required to ensure financial stability and control within their businesses. In order to achieve this they are likely to combine external assistance with their own knowledge and ability. Financial management is likely to be conducted upon more traditional lines, and business planning is not likely to feature highly. Group 3 respondents are likely to have a clear focus on prices both input price to their business and their own retail pricing and these will often be the critical measure that they will monitor. They are also likely to be demanding of any external help they purchase.

*I'm an accountant, do all the accounts and handle the money and manage the staff. I think they are all skills that you need. CC, Pub 33.*

*I don't have anything to do with it. My husband does all that for me. He retired from the police force about six years ago and he just took over, because I am not the best with money, I am too slapdash! I am not good on accounts, so he does every aspect, I don't do anything, and all I do is just sign the cheques. We have a stock-taker every six weeks too, an outside stock-taker comes in and tells me if things are wrong, what my percentage is. SIC, Pub 20.*

Here the respondent is demonstrating the effective use of both internal and regular external help recognising her own strengths and weaknesses.

*Accountants, I hate them at the moment, because they get paid quite a bit of money by me to do a job but I don't think they are doing on my behalf they are doing it more for themselves as opposed to helping me with the business which is my expectation of what an accountant is, he is on my side as opposed to on his own. Today I was in the garden doing some stuff and I had put down two days paid holiday for one of my staff for the payroll and he said 'well what's two days?' I said, well you have got all hours that she has worked since January, and he says 'well you have to tell me.' And I said, well if I have to work out what the holiday pay is, I might as well do the payroll myself and not have you guys doing it, so there is silence on the end of the line, that he has just realised well yes he is being paid to do this. I said well, you've got her, she has been here 20 weeks, you have got her 20 payrolls, divided by the number of weeks, divided by five days, there is two days and that is what you do, so he is like 'OK' and that was the end of the conversation. RR, Pub 13.*

*We haven't had a very good last two months but there again, trade on a whole is not good across the estate but I don't worry about them I've only got one person to worry about and that's me. I know what's going into that bank account and I know what's coming out of it so I don't care what comes out of it, but as long as there is more going in. FV, Pub 26.*

### **Managing the business - summary**

Financial management within Group 3 respondents is undertaken in common with a more traditional pub owner/manager approach. They are likely to enlist external help where necessary but often they will see their own experience as adequate. Financial controls are likely to centre around stock-takes and gross profit margins arising from a thorough knowledge of input and retail selling prices.

**Table 17 - Group 3 managing the business summary**

	<b>Strengths &amp; weaknesses</b>	<b>Managing details</b>	<b>Control systems</b>	<b>Performance management</b>
<b>Group 3 Managing the business</b>	Will be prepared to blend own skills and skills possessed internally with external assistance. Can be demanding of external help.	Unlikely to focus to closely on the intricacies of planning beyond watching finances closely. Has confidence in own experience & understanding of key measures.	Cash balance, stock-takes and gross profit margins.	Cash balance, stock-takes and gross profit margins. Performance versus last year.

## **Summary**

Group 3 respondents are marked out through their 'Traditional' and 'Positive' outlook towards their businesses and life in general.

The personal values highlighted in the initial part of this analysis occur regularly across the 12 individual businesses comprising the Group 3 sample. The dominant and most frequently occurring values, as mentioned by respondents, within all 12 businesses in this category were freedom (feeling liberated to develop their businesses how they see fit), pride (taking enormous pride in their businesses and focussing upon product quality and enjoying a reputation built upon that quality). All of the four remaining values identified earlier in this thesis were also cited.

In the field of staff management, Group 3 respondents characterise themselves through being less concerned than some other categories with organisation and organisational structure. This is because they see themselves as 'hands on' and involved in all aspects of their business. Their staff are likely to have a clear sense of purpose and this is communicated to them clearly. Organisational structures are likely to be along traditional lines with the owner/manager clearly identified as the 'boss' amongst both staff and customers. Staff will be provided with training and development opportunities although these will be linked with their current job role as opposed to being more developmental in nature. More general communication with staff will be direct and clear with instructions likely to be supplemented in writing. The approach to staff management by this Group is relatively caring. This care is likely to be expressed in a paternal manner.

The Group recognise customer service as fundamental to their future livelihoods. Positively disposed towards customers and passionate about product quality and consistency within their offer, the group will focus much attention on hygiene factors such as cleanliness and safety, which are critically important but unlikely to be order-winning criteria. The development of the customer offer is based upon the preferences of the owner/manager as is the approach to service with the customer being treated how the owner/manager would personally wish to be treated. There is little evidence of listening to customers and a suggestion from the data that they believe they know best. This approach concurs with the more parental approach identified within the staff management domain and is a recurrent theme within this Group.

Group 3 3 respondents are clear about their offer to the marketplace. Product quality and consistency are given a very high priority and they are prepared to engage and advertise with publications and other media that support and emphasise this quality. They do work at the customer experience, however, any developments are going to be on their terms as they are more dominant than others in controlling the way the business develops. They are clear about the customers they wish to attract and

equally clear about those they do not want involved with their business and believe they exercise control over this. Their approach to marketing is relatively conservative, and changes to the marketing approach are likely to be incremental. Competitors are viewed slightly negatively and are monitored in a more covert manner. Reminiscent of archetypal pub landlords or landladies, Group 3 respondents have a positive outlook and a broader worldview towards marketing.

Hands-on in approach, leadership within this Group is conflated with day-to-day management practices. The individuals themselves can be charismatic and possess dominant personalities but leadership is often undertaken at a basic functional level with the individuals retaining power within themselves and making all decisions. There is limited evidence of pay or reward mechanisms being used to motivate and retain people, and limited indications of this category conceptualising their businesses as a more holistic or all-encompassing system.

Managing the finances of the business is undertaken in common with the more traditional approaches adopted elsewhere. They are likely to enlist external help where necessary but often they will see their own experience as adequate. Financial controls focusses around bank balances, stock-takes and gross profit margins being achieved and arising from a thorough knowledge of input and retail selling prices, both their own and those of competitors. Budgeting and detailed financial planning are unlikely to be a feature. Comparisons against the same period last year are likely to be the only measure of relative performance.

## **GROUP 4 RESULTS**

### **Introduction**

In common with the previous group, Group 4 respondents adopt what they would see as traditional approaches to pub ownership and management. As one of the larger categories identified within the sample they are characterised by a confident and, in some cases, larger than life personality allied to a slightly cynical worldview. Able to converse widely on almost any subject they will hold strong views and often believe their opinion to be the only valid view. The approach to pub ownership and management that they adopt is around a clear role that they believe the pub fulfils in society. They are unlikely to be concerned by what they view as political correctness and, in some cases, may be viewed as offensive. Competitors are unlikely to be considered within their thinking, as the way they develop and manage their business is a complete embodiment of what they want to do and believe to be correct. Staff will be required to fit into a rigid hierarchical system, and respondents within this category will believe themselves to possess highly developed leadership skills that will often be deployed in a manner akin to that of a controlling parent. Some of their behaviours, in any other walk of life, will be viewed as anachronistic even bordering on the bounds of legality.

*It's like being a parent isn't it? You give all the time, and...it's a difficult one. I just think it's all down to mutual respect, you respect the member of staff, they respect you. I mean, my cleaner doesn't feel remotely belittled by being the cleaner because she knows full well, that I know that if she did a bad job cleaning, that's one little cog in the wheel that wouldn't be working in the whole pub. PW, Pub 4.*

### **Managing staff**

Participants talk at some length about showing respect and loyalty to their staff and obtaining this in return. There is evidence within the data to suggest their basic start point, however, is one of creating a sense of fear, implied or explicit amongst their teams as embodied within the following extract.

*You mustn't be frightened of your staff in the sense that, don't worry about telling them off. When I was in the Merchant Navy, in charge of the largest department on the ship, the catering department, people were frightened of the kitchen staff. I started at The Victoria, which is a legend in its lifetime. It went from an absolute nothing pub to a pub that is doing serious money. I said to the cooks when they came in, 'If any one of my girls comes in frightened because a customer sends their food back because it's cold or something, if they get a hard time, you'll be the one who gets the bollocking, not*

*the girl.' I don't want my staff to come in the kitchen and feel frightened. PW, Pub 4.*

This approach can extend into the way in which staff are disciplined and could be deemed to be a more heavy-handed approach than evident within other categories. Their requirement for control, and the apparent need to exercise this control in a certain way, is illustrated below.

*I think tolerance is one of the reasons. You have to deal with staff, you have to deal with customers and you have to be tolerant. Occasionally you have to be heavy-handed and say, I'm sorry I don't want your company. Either to staff or to customers. GC, Pub 19.*

Within this extract of the conversation the respondent provided little context for his suggested heavy-handedness other than his personal dislike for a situation and readiness to move directly to summary discipline if his tolerance was stretched.

Reward systems are used tactically by this category of respondent to generate trust and respect amongst their teams. There is little evidence of pay rates being established through reference to the external market, and some evidence to suggest that the respondents will set pay rates according to what they see fit.

*So it may seem like a nothing thing, but my cleaner gets the same rate of pay that my bar staff does. Why not? It's an equally important job. It's just the trust, respect, mutual respect and that obviously reflects. PW, Pub 4.*

Here the respondent does see equality across the team as important and therefore reflects this in the pay and reward mechanisms chosen. The following adage is obviously taken seriously and used as a guide to policy making.

*It's the old adage: monkeys and peanuts. The nicest thing that two or three of my staff have said to me in the recent months; 'I'm spoiled for working in any other pub now, since I've worked here.' And that is a very, very flattering thing to say. PW, Pub 4.*

Others within the category use the level of pay provided as a justification not to involve people in the wider management of the business.

*But the rest of the time, if we are here, we do not delegate that sort of responsibility. Because we don't think we pay them enough for that. We don't think it is appropriate; it's our responsibility not to put them onto other people. PA, Pub 15*

In this following illustration the respondent is indicating using a bonus system to reward loyalty. It is clear from the comments that staff would not be expecting it and therefore would not know what they had done to earn it.

*I would maintain, people who look after me, I will look after them. And you give them a cash bonus and they are more than happy. They may not have been expecting it but they got it. As I've said, people who look after me. BW, Pub 11.*

An outdated and potentially disturbing feature of the approach to staff amongst this category is their overt sexism. Women are seen as suitable for roles as waitresses, bar maids and kitchen staff and, in at least one case, are seen as part of the customer offer. The approach if not illegal is bordering on being so and reflects the apparent arrogance of the personalities involved in this category.

*Well, be it right or wrong, I've always employed women, because 80% of my customers are men and they like seeing pretty women behind the bar. I'm talking about, you know I've got, one of the most popular barmaids, is my Sue and she is an attractive 50 year-old, so it's not as though they've got to be 18 year-olds. I've got 19, 20 year old pretty girls with short skirts, lovely yes, but I've also got another 40, 41 year-old lady who works two nights a week, equally as popular because she is personal, because she says 'Hello', because she looks smartly dressed, the whole bit. PW, Pub 4.*

In the above, the respondent is not only talking about the exploitation of women within the pub, he also talks in a patronising way about his staff referring to them as 'his' in the context of ownership.

*There was another instance when we have, I don't like doing it because I like waitressing staff to wear what they like, within reason. And one of two of them wear these cropped tops so I thought that is not on. So now everybody, and I don't like, everybody wears the [Parent Co] shirt because you have got to...some girls can get away with it, others can't. GC, Pub 19.*

This respondent was talking about the dress code for female staff and relating the suitability of a certain type of shirt as suitable for some females only. However, to a certain extent, and as an example of how deep this culture runs amongst this category of pub/owner manager, the following comment was made by the wife of the respondent during our interview.

*The help in the kitchen, the job that the ladies do and there is nothing sexist about this, it's do to with the role that they would naturally play anyway. JA, Pub 15.*

Training and development in the contemporary sense is not undertaken by owner/managers in this category. Their approach is marked by staff being viewed as a 'pair of hands' and an externalising of the problems they have with staff competency to things such as society and the education system as demonstrated in the following examples:

*I mean there were two girls I had who worked for me, neither could add up. They used to write on a bit of paper and then when they'd got that done, they would punch it in the till, and now I think great, because they can add up! And I think to myself, hang on, that's with me nurturing them along and pushing them along, how come they couldn't add up when they came to pub? Why haven't they learnt that at school? How come they can come to the pub, add up two pints of bitter, pint of lager and a scotch and ginger ale, but couldn't add up four fours? And that makes that girl feel better now. She feels better, I can add up now, and it's a silly thing but their respect level goes up, the customers treat them nicely, they treat the customers nicely and it all goes round and round in a little circle. PW, Pub 4.*

*If they are bright, they are smart, and with a bit of training they can be...but if they walk in looking at the floor, not looking at you eyeball to eyeball, you can just tell. Sometimes you employ them because you need an extra pair of hands. Because there is nothing else about. We are all facing that. I always go back, we have to employ a certain amount because if you are busy...but I think that can be harmful in the long run because you know they are not up to it, no matter what you do to them. YEL, Pub 23.*

This extract provides an example of both an externalising of the issues, and staff being viewed as little more than a commodity.

*As I said to John when he first came here, I said I look after the pastoral side, you look after the work side. But I have got the overriding responsibility. So he trains the staff as much as he can and I go round afterwards and make sure everything is OK. GC, Pub 19.*

Within this illustration there is a clear indication of the hierarchy at work and, as will be seen in later responses, actually uses his trainer as an example of a staff member being disciplined for the use of foul and abusive language.

*I have never had a chef, never had a chef working for me. I have them young and I train them to show them my kind of operation. If you get chefs, what are they going to do for me? And most of them, they are not adaptable to my way of thinking, and I try to motivate them to work, but if they can come up with the ideas better than my*



*ideas, I am all for it, but they have got to be adaptable for my kind of operation, they have to be you know? Because I respect my name and I am selling my name to other people, and I have to protect it. No member of staff will care about that. YEL, Pub 23.*

The commentary here demonstrates an apparent arrogance of personality and, whilst it alludes to accepting ideas from others, implied within the text is a lack of open-mindedness.

The culture and climate within these businesses is likely to be hard and to display overtly masculine characteristics. As can be seen from the earlier discussion, women are not valued in any particular sense by respondents and all staff, irrespective of gender, are similarly viewed as commodities. Communication from the owner/manager to staff will be by way of instruction, and disciplinary outcomes will be unpredictable. The following extracts illustrate this.

*I think if you treat people in the proper way, in a sympathetic way shall we say and you get the response. I mean John, our chef, will when he gets, he'll f and blind, not threatening, and he's Irish anyway so he's f'ing and blinding. And said John, when he first came, you can't do that we have young girls here. He said 'it's part of the game.' I said not every other word, but we are not in Ireland now. We get on all right, and he knows the length of my patience. I think it is just treating people in a civil way. GC, Pub 19.*

In this extract the respondent is referring to the person delegated to undertake the training of staff - see earlier comments in the training and development discussion above.

Morale and motivation can be managed at the most basic of levels and is not recognised as something that should be particularly worked at by respondents.

*Trust your staff, treat your staff well, pay them well, be nice to them, never ever sexist, aggressive, never mind touchy feely, they know how by now, 'Ello darlin' how are you today?' that's fine. It gives them self-respect. PW, Pub 4.*

*When we are really busy, I will go in the kitchen and have a joke and a laugh. The first thing I say to any bar staff is we serve, but we are not servers. So we don't take any shit. GC, Pub 19.*

This example demonstrates support for his staff, but the example is at the expense of confrontational situations with customers.

The final comments within this section illustrate an approach to disengaging staff that is disingenuous and suggests constructive

dismissal. This is a further illustration of staff being seen as commodities and, in the final example, a demonstration of the difficulties this type of business experiences when recruiting. Interestingly, there is no acceptance of why attracting staff might be so difficult other than to blame external forces.

*Of course. It's like a sand dune if you like. And you have, occasionally, to say look I don't want you in the pub, please go. And that counts for staff as well. Customers are easier to do though, because the staff situation, there are so many legal things that you have got to look at before you can get them out. You make the job impossible. So I know they can't do it and they know they can't do it so you put that situation in front of them and look, instead of you working three shifts a week, I want you to work ten shifts a week, and of course they say I can't do that. So I say, 'well that is the situation' and then they say...you know. GC, Pub 19.*

*All I know is that I've had staff for six years, it doesn't happen in the catering trade, you don't keep staff for six years, they are gone within nine months. That in its own way says that they must quite like being there if they have been with me six years. I think if a member of staff goes, I don't lose too much sleep over it because eventually I will replace her with another one. PW, Pub 4.*

*There have been periods when, in the past, the kitchen staff, we once famously had a vacancy sign up for a cook for two and half years and we got by with people helping us out but that's part of the spin-off of second homes etc. PA, Pub 15*

### **Managing staff summary**

In summary, there is strong evidence amongst this group as viewing their staff as commodities and of people being seen as little more than an 'extra pair of hands'. Training and development opportunities within these businesses are likely to be non-existent beyond the absolute minimum required to complete the job role effectively. Overtly sexist in approach, they do not value women and this, together with approaches to discipline, could border on the illegal. There is evidence of closed minds where people are concerned and given the difficulties experienced in recruitment by at least one of the respondents, this approach is likely to have a detrimental relationship with business performance.

**Table 18 – Group 4 managing staff summary**

	<b>The organisation</b>	<b>The team</b>	<b>Training &amp; development</b>	<b>Communication</b>
<b>Group 4 Staff management</b>	Likely to be hierarchical and decision-making concentrated with one person. Unlikely that any formal structures exist below the role of the owner manager.	Unlikely to exist formally. Staff viewed as commodities. Women subjected to an overtly sexist regime. Approach to team morale and motivation likely to be patronising.	Difficulties with staff competency are likely to be externalised. Training and development opportunities will be severely limited.	Formal communication mechanisms will not exist. Communication is likely to be reactive and unpredictable.

### **Customer service**

In common with all other groups, this category of owner/manager will view customer service as important within the context of their business. Their approach is somewhat different from other groups and revolves around their need to be involved in everything that goes on within the establishment together with the personality of 'mien host' and a perspective that these individuals believe they are allowing customers to visit their home. This notion of the home extends into the setting of ground rules which customers are expected to obey. There exists a hint of insincerity in their approach to customers although it might be that these individuals possess a confidence and are prepared to say what others would not. The overriding interpretation is, however, that these individuals are more insincere in their approach. Customer feedback is not elicited or considered by this category of owner/manager and these individuals consider what they are providing to their customers is what their customers require.

There is little evidence to suggest any formality to operational systems within these businesses beyond the basic and rudimentary required to operate the business on a day-to-day basis. Where systems and standards of behaviours exist, customers also are expected to adhere to these.

*It's like bringing a child up isn't it? When they know the parameters and they know the rules, they are better disciplined children. I can only talk about a pub, but in a pub if the customers know the rules and the parameters they will be, I mean in my pub nobody swears, if they swear they get 'language Timothy' thrown at them. PW, Pub 4.*

Within the above statement a parental and patronising tone is evident in this respondent's approach to managing the behaviour of customers in his establishment.

*I have, for an example, a restaurant through there. All the tables are booked, so they have reserved signs on them, blatantly obvious. They are all laid up, with starters, mains, desserts, reserve sign on the table, so you walk into any other restaurant and you think, I can't sit there, we will wait to be seated. Some muppet, because that is all he was, because we were busy here he couldn't find a chair, so he just waltzed into the restaurant and took a chair from my restaurant. So I said 'What are you doing?', 'Well there's no chairs in here', 'Well you don't just walk into a restaurant and take a flipping chair do you!? I'm sorry, but you can stand up!' That sort of person just gets my goat because it's basically rudeness. I'm twitching now! BW, Pub 11.*

Here the customer is seen to be contravening a rule of the house and is handled in a brusque and confrontational manner.

Evidence of this category of owner/manager listening to customer feedback and interpreting this to improve or develop the business proved difficult to elicit and, as in other areas where things do not always go according to plan, the problem is externalised.

*Sometimes you get caught out because people suddenly start to panic and you know that, in fact, if they had gone anywhere else, they wouldn't have had to even think about waiting 20 minutes because that was the standard time. PA, Pub 15.*

This quote is in the context of customers waiting to be served food. Whilst the feedback is heard, it is immediately externalised to a competitor whom is perceived to take longer.

*I try to find out why that one is not pleased. There are professional complainers! YEL, Pub 23.*

Further disregarding any form of customer feedback.

This category publicly demonstrates their larger-than-life personalities and indicates that they believe it to be something that they can use to entertain their customers. This may be a high-risk strategy, with strong opinions and views having the potential to alienate customers.

*About four years ago, this couple came in who could have gone anyway, they came in and...I usually try and go and get the empty plates so I get the feeling of whether people have enjoyed their meal. I went to this particular table and I said how was your duck?*

*She said 'well when we go to France, I have a crisp skin with no fat and a nice big plate' And I said 'if you want it en Français why don't you piss off to Calais?' And the whole dining room went quiet and then I look round and they all sniggering. I thought I'd overstepped the mark, but I hadn't. But that's why I entrust a certain type of person. GC, Pub 19.*

In this illustration, the owner/manager acknowledges the high-risk nature of using personality in this way.

These owner/managers also deploy personality in a manner to ensure customers understand the rules of the house.

*Because I tell them what the rules are, and if they disobey the rules then they're asked not to come again. And that is very important. It's very important in any business, I would imagine you could have an unpleasant customer who spoils it for everybody else. It's like everything isn't it, why have we got a police force? Because of the 3% of yard dogs about, and if certain people are being a nuisance in your pub, they will make other people leave. PW, Pub 4.*

In turn, this can become more confrontational based upon the strength of conviction that these respondents demonstrate about their property and business.

*No I don't think so. I say rude, inconsiderate I think is the word, who just think they can do what they want in somebody else's house. I've actually seen somebody smoking and literally, there is an ashtray and they have put it out on the carpet. I went up to them and said 'Where do you live?', 'Why?' 'Well, give me your name and address', 'Why?', 'Because I'm going to come round your house and stub a cigarette out on your carpet. This is a pub and this is my house. Have a bit more respect for it. If you don't respect that fact, use the door and leave. Out of order. I would not dream of coming into your house and lighting up a cigarette and thinking because there is no ashtray around here so I'll put it out on the carpet. You wouldn't do that. But some people think they can in here. This is what annoyed me, they have no respect. BW, Pub 11.*

In the context of consistency and product quality respondents do espouse the need to ensure that standards are set and maintained. They are invariably at the heart of this process and see this as a principal component of their role.

*I have got to be involved in every stitch to create continuity. YEL, Pub 23.*

*Attention to detail. I always walk round the kitchen, even when we are frantic. And I also make sure that everybody is doing their job and when the kitchen closes at whatever time it is, I always look around and look at the dishwasher, look at the cooker. I don't really want them to see me doing it whilst they are there, because that infers that I am...but I do it after they have all gone. And then if there is anything wrong I will tell them the next time they come in. GC, Pub 19.*

*Dedication. And never compromise the standards, regardless whether you are busy or not. You have got to set yourself certain standards and they have to follow it until the last day of your working life. YEL, Pub 23.*

*I have only got one product so it has to be right at all levels, so I am particularly conscious of pub service and I think a lot of pubs in the this town don't give the service you would or should expect. PW, Pub 4.*

### **Customer service - summary**

Customer service within this category is recognised as critical to their businesses and the role of their own personality is a dominant component of the service provided. The approach adopted with customers can often be patronising in tone and parental in nature. Customers are expected to adhere to the rules of the house that they may or may not be aware exist and only when they transgress any such rules would they find out. Individuals within this category are likely to take personal social risks with customers and may, on occasions, go too far. Product quality is viewed as important and the individuals will be involved in ensuring that it is maintained. There is a likelihood of defensiveness underpinning all of their behaviour and in the areas of product quality and customer feedback they are more liable to be dismissive and externalise any difficulties.

**Table 19 – Group 4 customer service summary**

	<b>Systems</b>	<b>Personality</b>	<b>Watching and listening</b>	<b>Product quality &amp; consistency</b>
<b>Group 4 Customer services</b>	Likely to be basic and rudimentary. Standards will be established and these will also require adherence by customers.	The 'big personality' is evident throughout all aspects of the business. High risk strategies may be adopted with customers and confrontational situations may occur.	Feedback systems will be limited. Customer feedback is likely to be dismissed and externalised.	Product quality and consistency will be managed by the owner/manager very closely. Likely to be involved in all aspects of product and service quality.

### **Marketing the business**

Marketing was again a difficult concept to discuss with these Group 4 respondents. They acknowledged marketing although really did not feel it was particularly relevant to their businesses. In many respects, their offer to the market is bound so tightly with their own personalities that it is difficult for them to conceptualise what it is they would be marketing. There is limited use of the local media and, as with other businesses of this order, they do benefit from the occasional journal or newspaper article. The clarity of the offer was difficult to ascertain as they do what they do in traditional English public houses and they expect people to understand all that this entails as the following examples illustrate.

*It is a proper, traditional, old-fashioned English pub, therefore market it as an old-fashioned English pub and do traditional, old-fashioned English grub. PA, Pub 15.*

*I am an ardent believer in pubs like Pub 4. There are so few of those pubs left now. There is not another one in X. PW, Pub 4.*

Taking the theme of the traditional pub further, there was little evidence provided to suggest that these individuals are looking to create a customer experience beyond the exposure to customers of their own personality. Indeed much of that discussed in this area had insincerity to it.

*OK, maybe that sounds money orientated but let's face it, I'm not here just to say hi and be polite, I'm here to make a living, so*

*therefore if I can increase my profits by being polite to people, which doesn't cost anything, then my profits will increase, my sales will increase, it's a snowball isn't it? BW, Pub 11.*

*So the farewell on very, very few occasions can be not as what people expected but as far as we were concerned, and it's always been the same, people need to be treated politely if you want to get their money out of their pocket. PA, Pub 15.*

In these two examples, the respondents are demonstrating this insincerity when discussing the welcome and goodbye that they provide to their customers. The interesting element to this is that they tend to assume their customer has little intelligence to enable them to see through this. This extends into the following comment with regard to ensuring people always receive the same change as given during the last transaction.

*Consistent in all the little things that you should be doing like making sure people get the sort of glass they ask for before, and that sort thing, silly things like making sure the round comes to the same amount you charged the first time. PA, Pub 15.*

The consistent theme of customers being part of a two-way interchange and having to abide by house rules is extended into this area where regular customers are rewarded for their loyalty.

*So that's the sort of thing, I try to take back, for loyalty to me, they get loyalty back in the winter for little treats which are basically at cost. JA, Pub 15.*

This group undertakes advertising on an ad-hoc basis and they are one of the few only groups within the study to mention the active use of the internet as a means of attracting business.

*We have a website which we find very useful. We get B&B bookings from all over the planet from that. It is a little bit mysterious as to why that should happen but it does. It is also very useful because a lot of people do the things that we do which we think are clever ideas and why didn't we do them before. Other people have been doing them for years before that, so we have never considered ourselves to be innovative. The next question is, can we book online? No you bloody can't! We don't take plastic for a start. PA, Pub 15.*

Unfortunately, and consistent with behaviour we have had illustrated in other areas of the study, this group demonstrates its unpredictable tendency to become aggressive when asked a perfectly reasonable question in the final sentence of the previous extract.



The following quotes illustrate the low-level, ad-hoc and slightly cynical approach to advertising adopted across this category of owner/manager.

*All these things we have been put in, no fee, they are recommendation based and we wouldn't want anything else because they are pointless. There are people like; there is the famous one I think it's called Johansens. You pay loads of money, it's very glossy, and when it comes down to it, you can write whatever lies you like, they don't even bother coming round to check, it's pointless. PA, Pub 15.*

*Don't need to. Occasionally, I don't know if you saw that thing in the Daily Express, Saturday Express about three weeks ago, the Big 5. I didn't know anything about it, I hadn't seen it and this couple came in and said, we saw your advert in the Saturday Express, I said I don't advertise. It was a feature. GC, Pub 19.*

Competition is unlikely to be considered by this group and is taken for granted. There is no evidence to suggest that this category of owner/manager believes they have anything to learn from competitors other than to compare pricing.

*I never worry about competition. I might, I very rarely do, but I might go into another pub and have a look at the menu, pricing. GC, Pub 19.*

*I have my own ways. Some customers, they pass knowledge but having said all that, I never ever, it's not healthy to knock down your competitors or say anything bad about them. The market is big enough for all of us but my main concern's how to manage and how to run my own operation efficiently and caring about the customers. YEL, Pub 23.*

*We have not been influenced by them. Also, we know what sort of customers like the Pub 15, what sort of food they want, and what sort of prices they want to pay. There are people, if one place is too busy and they don't want to wait and come down here and take second choice, the same as we know that if we are busy they take second choice by going somewhere else. PA, Pub 15.*

## **Marketing summary**

The individuals within this category possess a very clear view of the traditional English pub offer, and in their view they expect other people to understand this also. Their own personalities are intrinsically linked to the pub offer in that and they believe that they are exercising some control over the customers who choose to use their establishments. Behaviour with customers can be insincere as evidenced in some of the textual illustrations and they do not seem to grant their customers with very much intelligence in that they might see through this. Marketing, when

used, is deployed on a very local basis but on the whole this category of owner/manager is a rejecter of the medium. Competitors are barely considered, as these individuals believe their offer is distinctive, different and has their own personality as a component part and therefore cannot be copied.

**Table 20 – Group 4 marketing summary**

	<b>Developing the offer</b>	<b>The customer experience</b>	<b>Advertising &amp; promotion</b>	<b>Competitors</b>
<b>Group 4 Marketing the business</b>	Development of the offer is unlikely. Customer feedback or external comparisons will not be used. The offer is likely to remain the same long into the future and forms part of the belief system of this category of owner/manager.	Will be distinctive as it will heavily feature the personality of the owner/manager. Delivery of service in the mind of this category of owner/manager will be the archetypal English pub experience. There may be some insincerity in the way the experience is delivered.	Will use on a very local and ad-hoc basis. Generally they are likely to be advertising rejecters.	Not considered and taken for granted. Not seen as a threat or as a means to learn.

## **Leadership**

Within the leadership domain, respondents are characterised by their strong views and propensity to see themselves as setting the behavioural tone not only for staff but also for customers who frequent their premises. Autocratic in approach, they tell staff what to do and rules are laid down for customers as highlighted in the following.

*I believe it is not led properly from the top and consequently, it's not having the customers obeying the rules. Customers, even in Tesco, coming in the right door and not going out that door, and not taking nine items through a five-item queue. Customers need to be trained too. PW, Pub 4.*

They are likely to be supportive of their staff to the point of being confrontational if they perceive customers have crossed the behavioural line. They do not acknowledge any shortcomings within their own style

and where they experience difficulties they are likely to externalise these, for example, as being as a result of a poor standard of education amongst their staff, or “the younger generation not having any respect for themselves or anybody else”. They clearly identify themselves as the leader and believe that they have to be involved in every aspect of what goes on within their business. More contemporary leadership views were an area where this group seemed conceptually to have some difficulties.

In the following illustration the respondent is identifying the role of the owner/manager in setting the behavioural standard for staff and acknowledges responsibility as a role model in leading the business. He goes on within the extract to communicate an uncompromising approach to staff should they not follow the standards being set.

*And on a regular basis you don't want to have the landlord and landlady factor having a bust up, after having a few drinks together. If the landlord comes in unshaven and not smartly dressed, it indicated his staff can come in, metaphorically unshaven and badly dressed. It is down to, in any business I believe, leadership from the top, even to a small pub like mine, the landlord sets the right standards and the staff will follow suit and if they don't follow suit they should be told so. PW, Pub 4.*

Building on the concept of role modelling, individuals within this category also see leading from the front as important and are inclined to adopt this as part of their approach.

*Several of our current staff not long after they've started that they were quite surprised how hard Jacquie and I actually work, because they weren't used to seeing it. PA, Pub 15.*

The individuals here are also looking for confirmation from their team of how hard they work, which does raise issues of self esteem, below the confident exterior, and is supported by the following comment.

*The first thing I say to any bar staff is we serve, but we are not servers. So we don't take any shit. GC, Pub 19.*

### **Leadership summary**

Continual themes being raised by these respondents are the ideas of tolerance and respect. These notions again are raised within the leadership discussion and give cause for concern. Throughout the interviews and highlighted in the analysis, displays of sexist behaviour, dissatisfaction with much of contemporary life and an intolerance of behaviour outside of the boundaries set by this group recur. The approach adopted towards leadership is narrow and, beyond some very firm views about standards of behaviour and the giving of orders, little of substance

is evident. This is likely to contribute to difficult workplaces for staff and unpredictable behaviour from the leader in dealing with customers, staff and other stakeholders. It is likely that these behaviours are generated at a deeper level of consciousness, as this particular category of respondent does appear to hold onto their belief system with a far tighter grip than other categories.

**Table 21 – Group 4 leadership summary**

	<b>Focus on people</b>	<b>Morale and motivation</b>	<b>Strategic use of rewards</b>	<b>Acting decisively</b>
<b>Group 4 Leadership</b>	The focus on people by this category is likely to be parental in nature. Staff will be expected to obey orders. Staff will be supported but in unpredictable ways.	Individuals will look to win support from staff through their uncompromising approach to customer behaviour.	There will be some innovative use of rewards but this is likely to be idiosyncratic and confusing for staff.	Decisive action is seen as a the principal component of leadership by this category.

### **Managing the business**

As with other areas of analysis, the approach to financial management can at best be described as traditional. There is little evidence within the data to suggest that financial planning is given a priority, and there is little evidence of external assistance being used. This approach is unsurprising given the personalities involved and the behavioural indicators provided elsewhere in this analysis. There was also a certain amount of evasiveness in some of the respondents in being questioned about the way they manage the finances of their business. This evasiveness could be founded upon a traditional old-fashioned approach in that it was none of my business or it could have been because there is a lack of any system in place to manage their business beyond basic banking requirements. In the following, the respondent was quite evasive and answered my questioning with a statement when questioned about the financial aspects of tenanted pub management.

*There seems to be no principles anymore, everybody is out for all they can get and if you run a pub, a proper pub, then you obviously have got to make money, it's got to be successful but you've also got to have responsibility, not only to your customers but to the parents of the kids that come in. GC, Pub 19.*

The 'fickle' nature of individuals in this category is illustrated in the following extract. It provides a complete contradiction within the confines of a single paragraph and highlights the hubris of individuals within this category.

*I am in full control of my financial situation. I told you I came from a business-minded family, and I am very good in commerce and I know, I've got general knowledge in my business. I can look at the business and I can tell you if it is good business or bad business. I only slipped once because I was committed to it. My last business before I came here I had a lot of people work with me, it was a lovely place, I made up my mind to turn it around and after three weeks, I found out why it was not going to work. I looked around...because I can turn things round but sometimes you loose some, as long as you win more than what you lose. YEL, Pub 23.*

The following two comments from the same respondent perhaps epitomises the approach adopted to managing the financial aspects of their business by individuals in this category.

*We keep, it's not clever or unique or anything, but there is a ledger upstairs which details all cheques and payin- ins for the bank so we know how much money HSBC need to have in the account to cover what we have going in and out. The rest of it is sitting in the building society where we are earning a little more interest so that is managed on a daily basis. The things like the amount of change we use, there are lots of little things that go on the computer spreadsheet so you have got a record of what you did. Because computers are quick and easy to look things up on and that's really the only main purpose they have. So the weekly cashbook is done long-hand, we don't use clever systems for it, because that is all we have ever done and it's easier. PA, Pub 15.*

*No, because at the end of the day budget as you may, however many people walk through that door I'm not going to get any more business in that sense. You deal with what comes through the door and if you are not doing business, then you cut back on other things. You cut your costs according to what you are taking and where that's concerned, we are probably slightly old-fashioned. This winter has not been a good winter, it's been bad generally. I mean I'm not in to doing business plans because I can't see how you can project who is going to walk through the door. You can hope, you can pray but you just don't know. PA, Pub 15.*

### **Managing the business – summary**

The evidence provided of the approach to business management by this category can at best be described as traditional. Although it should be acknowledged that respondents were more evasive in this area, there was

little evidence provided to suggest that detailed budgeting or financial planning takes place. Indeed there was some evidence provided to the contrary.

**Table 22 – Group 4 managing the business summary**

	<b>Strengths &amp; weaknesses</b>	<b>Managing details</b>	<b>Control systems</b>	<b>Performance management</b>
<b>Group 4 Managing the business</b>	Respondents in this area are unlikely to recognise any weakness in this area and are only likely to enlist external help as a last resort.	Details are likely to be managed through traditional means such as stock-takes and bank cash balances.	Stock-takes and bank accounts.	At best is likely to be performance versus the same period last year.

## **Summary**

Group 4 respondents are distinguished by their traditional approach to pub management and this interpretation of tradition appears to form part of their value and belief system. In addition they hold broadly negative views about much of the outside world and use these views to rationalise difficulties that they may be experiencing within their own businesses.

As with the other categories, all seven personal values were present in the responses of individuals with the most regularly occurring being freedom - essentially the business providing them with opportunities to enjoy themselves. Earlier in the analysis stage of this thesis it was suggested that it is not the values themselves, communicated by all the individuals within the sample, but the way in which they choose to deploy them in the context of their businesses. In the instance of Group 4 respondents there is evidence to suggest that freedom is interpreted as a means through which they can express themselves, hold strong opinions and treat people how they see fit within the relative safety of their own businesses. The behaviour they choose to adopt clearly provides them with enjoyment in the way that they seek to shock and provoke reactions particularly with customers. Almost hedonistic in the pursuit of this, given this context, it is understandable that enjoyment is raised as a principal value.

In the field of staff management, respondents are likely to be hierarchical, and all decision-making is likely to be concentrated with them. It is unlikely that any formal management structures will exist below the level of owner/manager and communications systems are likely to be reactive and unpredictable. The notion of a team within the business will not be recognised, and training and development opportunities for employees will

be severely limited. The climate within the business is likely to be overtly masculine, and women will be viewed as having distinct roles both within the business and within society at large. The approach to roles, responsibilities and recruitment within these businesses is highly likely to be explicitly sexist and this, together with questionable disciplinary practices, could border what is legal.

Basic and rudimentary customer service standards will be established with both staff and customers being expected to adhere and fit in with these largely behavioural standards. The 'big' personality will be very much in evidence in all areas of customer service and these individuals are likely to adopt high-risk strategies with customers resulting, at times, in confrontation. Customer feedback systems will be limited and direct feedback is likely to be dismissed and/or externalised to staff or customers. Product quality and consistency will be managed closely by the owner/manager and this will be an area where they will take a particular interest.

Marketing the product offer in its widest sense is unlikely to be developed as illustrated in the following comment:

*Having run it for a month it then become obvious what the answer was, well the answer was preserve it because that is what people wanted. PA, Pub 15.*

Individuals within this category see the role of the traditional English pub through a narrow lens and have a tendency to wish to preserve this part of 'old' England into the future. This appears to be a strong motivator amongst this group and seems to form part of their belief system. The mechanism for delivering the service offer is likely to be highly distinctive and idiosyncratic, and will be synonymous to individual personality. There is also evidence of a tendency for service to be delivered in an insincere fashion. Advertising will be used on a very local and ad-hoc basis but on the whole this category are likely to be rejecters of advertising. Competitors will neither be considered as a threat nor as a means through which to learn and develop the business.

In moving to leadership the emphasis is likely to be parental in nature and patronising in the way it is delivered. Staff will be expected to obey orders and adhere to a relatively strict code of behavioural standards. Staff will be publicly supported where difficulties occur with customers and respondents will see this as a means of securing loyalty and maintaining morale and motivation amongst their teams. Reward mechanisms will be ad-hoc and idiosyncratic and therefore could be confusing for staff. Respondents in this category will see being decisive as a principal component of leadership.

From the perspective of managing finances, respondents are unlikely to recognise any weaknesses they possess and therefore will not enlist

external help other than basic requirements such as that of stock-takers. Individuals are likely to be detailed in their approach and will use traditional means such as stock-takes and cash bank balances both as control systems and as a means of measuring performance. Respondents within this category are likely to reject techniques such as budgeting or creating projections of future business as they largely see predicting future demands on their business as beyond their control, further highlighting a reactive nature to their approach.



## **GROUP 5 RESULTS**

### **Introduction**

Group 5 respondents differentiate themselves through their friendly, positive and optimistic approach to business. These characteristics can, however, mask more fundamental difficulties. It is unlikely that formal systems to manage and monitor business performance will exist and basic business management issues will present significant difficulties to Group 5 respondents. Owing to their genuinely friendly approach to managing the business, there is a danger that staff and customers could exploit this category of owner/manager.

### **Managing staff**

Group 5 respondents are supportive and trusting of staff. However, they can be ambiguous in their approach and could leave opportunities for staff to become confused or even take advantage of the situation. Closely involved in every aspect of their business, owner/managers in this category will limit training and development opportunities for people as they will be required to work within a chaotic system that could prevent them being away from the business for workload reasons. In addition, there is the likelihood that the finance to provide training would not be available when the opportunity presented itself. The culture and climate within these businesses are liable to be supportive, and the people working within them are drawn from the local community or family. The overall approach to people management by this category is best described as reactive and intuitive.

Training and development opportunities are likely to be limited for staff, for the reasons detailed above. Training and development may be provided in house but will be ad-hoc and lacking any formal focus or structure.

*Obviously staff wise, I train them always to be polite. When you deliver food to the table always say, 'Is there anything else you need? Is everything enjoyable?' whatever. Making people feel welcome, that is the biggest bonus. SB, Pub 16.*

*I think being concise in the standards that you want to set, if you are not happy with that, find another job. This is the way I want you to do it, it is not unreasonable, it is very forthright, that is the way we want it done, if you have a problem with that let me know. That is the other thing, if you have got a problem or if you have got something that is bothering you or you are not happy with, let us know about it. I think it is getting that communication back. It's trying to say what is your problem, what is it you need? It makes you look at yourself too, well I am not doing exactly what I should do, I could be doing better here. MC, Pub 5.*

In this extract the owner/manager begins his example with a relatively strong statement and ends it with questioning his own approach and focus of what he is doing. Amongst confident business personalities, this more reflective approach might be seen as strength but there is a danger in this situation that staff could see it as confusing as covered in the following quote.

*They all tell you they can cook but when you say to them can you cook some chicken, they shy off and think they don't seem to be very confident so you have to bring it out of them. You say OK, you are capable of doing this, you are. And also, if they do something wrong like speaking to customers in a way you don't quite like you've got to say to them it's not really a good idea say to them if you were the customer, how would you feel about that being spoken to in that way, do you know what I mean? It's kind but it takes a bit of time. DB, Pub 30.*

*General prods! If you have got a table that wants clearing, you clear it and you dump the stuff in the kitchen and you think I forgot about that, that's another prod. Being polite, all right, you have the disaster staff, which I had a young girl last year, she has left now, but they get the drift. They think, 'Oh, I missed that one, I'll do it myself.' SB, Pub 16.*

The illustrations indicate a disposition towards people allied to an inherent kindness of approach. There is, however, an apparent reactive nature towards the assessment of training needs and lack of structure towards its delivery even at the most basic of levels.

The notion of a management team is unlikely to exist in businesses owned and managed by Group 5 respondents. There will be nonetheless a concept of a team at least in the mind of the respondents and they will demonstrate confidence and trust in this team of people.

*She has worked here with the previous two landlords, she knows the people, and she's polite, strict when she needs to be strict, i.e. with problem customers and obviously if there is something she can't handle I'm always about anyway. I mean, the basic thing with staff is always making people feel comfortable. SB, Pub 16.*

In this extract the respondent is communicating his trust in an individual and goes on to demonstrate a level of care for the person in the final sentence. This approach is supported in the following illustration in regard to motivating staff.

*I look at their personality and I see exactly what they can give to the pub. We've one girl in particular who is a little bit over-excitable isn't she, and I've got to calm her down a bit. But apart from that, I think generally, having a general interest in their life and what they are*

*doing, and when they can work and if they can't work you don't get upset you just work round it and say fine we will sort that problem out. DB, Pub 30.*

Individuals within this category exhibit confidence and trust in people, and it is from this confidence and trust that their whole approach to people-management flows. Within this group there is a clear lack of appreciation of people-management tools and techniques and they 'get by' through reaction and instinct.

*I'm the kind of person who if I think there are a lot of glasses sitting on the tables, I will go and collect them and they get the hint that way. Or clean the ashtrays. I'm a bit of a fusspot when it comes to ashtrays, I'm always cleaning ashtrays. SB, Pub 16.*

The respondent in this extract is using an avoidance technique by undertaking the task himself, hoping the staff member will pick up on what he is doing and learn for the future, rather than asking the staff member directly.

*Several reasons, if I had a waitress here and she did something wrong, went in the kitchen gave her a bollocking, it's going to upset her and that's going to come out up-front when she's serving people. SB, Pub 16.*

### **Managing staff - summary**

Reactive and intuitive are descriptors of the approach to people management by Group 5 respondents. They do demonstrate an innate care for people in their approach and indicate that they have high levels of trust. The approach can include avoidance techniques, as they may not want to 'hurt' staff or potentially damage relationships. This in turn will lead to this category of owner/manager undertaking tasks themselves when staff might be better placed, freeing them to adopt a broader more strategic view of the business.

**Table 23 - Group 5 managing staff summary**

	<b>The organisation</b>	<b>The team</b>	<b>Training &amp; development</b>	<b>Communication</b>
<b>Group 5 Staff management</b>	<p>A formal organisation is unlikely to exist. Staff will be viewed as friends and treated as such.</p> <p>The culture and climate is likely to be supportive.</p>	<p>The notion of a team will exist in the mind of the owner/manager.</p> <p>Staff will be trusted explicitly even at the expense of the owner/manager undertaking roles that could be performed by staff.</p>	<p>Opportunities for formal training and development are likely to be severely limited.</p> <p>On the job training will take place but this will be ad-hoc and unstructured and is unlikely to be identified as training.</p>	<p>Informal communication is likely to be good owing to the supportive culture and climate and general disposition towards people.</p> <p>More formal communication is likely to be confused as avoidance of confrontation will be a concern.</p>

### **Customer service**

The approach to customer service adopted by Group 5 respondents is consistent with their approach to staff management encompassing the concepts of trust and friendliness. They are distinctive from other categories in that they have a predisposition to be highly approachable and inclusive in their stance towards customers as opposed to a more detached stance apparent in some other categories. They will take customer feedback seriously and amend and develop their offer accordingly. This propensity could, however, lead to them making changes, to their offer regularly without understanding the full implications of changes. In this vein, they are unlikely to build and maintain customer service systems, relying on demonstrating a preference for an intuitive and reactive approach arising from close human contact. The enjoyment of this situation is illustrated in the following extract.

*You are in the public eye all the time, especially in a situation like this, which is a village pub and that is what we wanted because I like, as you've just seen then, I like that atmosphere of anybody in this pub to do anything to help us. DB, Pub 30.*

Here the respondent is communicating an appreciation for the relationship with his customers.

*The people that tend to come back are the people that you make feel welcome. This isn't a pub, it is a lounge. The person whose business it is, that's their lounge and you make them feel welcome, they want to come back. If you don't make them feel welcome, they won't come back. I've walked into pubs and the barmaid has not made any eye contact even when she has been serving me and I have never, I won't even drink my drink, I've just gone. Because if it was just about the alcohol you could sit at home and drink for a 10th of the price on your own. It's not just about the alcohol, it's about socialising, it's about meeting people, it's a home away from home, somewhere you can sit in the corner on your own and be quiet if you want to, and these are all things you have to provide at the same time. So if you don't make people feel welcome they won't come back. MC, Pub 5.*

There is an acknowledgement and a realisation amongst this group of the interdependencies that exist in delivering customer service. However, again, the focus is completely on the people within that system and providing them with a pleasant place to relax and enjoy themselves without any system to ensure the reliability and repeatability of that experience. Within the extracts, the respondents are communicating their understanding and requirement for the whole system to work but do not provide any substantive evidence of implementing or understanding of implementing such systems.

*The most important thing is, it's a tie up all of them. Obviously one doesn't work without the other does it? As long as you get all your bits and pieces in line, one follows the other. SB, Pub 16.*

*I actually employ a lot of people. But I'm trying to do that to provide a good service. You want people to be satisfied don't you really? MC, Pub 5.*

*Always make people feel welcome, regardless of their race, colour or creed or sex or whatever. That is important because you are here to supply the public whether they are gay, black or whatever, you are here to provide them with a happy friendly place for them to come to. SB, Pub 16.*

Customer service, in common with the lack of an overall systems approach highlighted above, will be delivered through a highly fragmented personalised service, which by definition could be extremely variable in execution. This said, Group 5 respondents work hard to ensure that the customer experience within their businesses is a positive one.

*Well, when a person walks through the door, my first job is to make them feel welcome if it is a stranger and you have got a couple or three locals in, you make the newcomer feel welcome, you serve them obviously, you get them into conversation with a couple of*

*locals and they think, this is a nice place, friendly pub, I'll come back again. SB, Pub 16.*

This quote illustrates the overriding urge to ensure that the customer experience is positive through the immediate introduction of social interaction. The approach to customer complaints is very different from some of the other categories identified, and again encompasses a personal friendliness absent in some other categories.

*The only way to deal with it is to be so tremendously charming because they want to wind you up, so you have to be so incredibly nice to them and you call their bluff. Because they'll be made if you got angry and barked, wouldn't they? And that's what they want so you give them the total opposite. DB, Pub 30.*

Personality is intrinsically linked to service delivery in these establishments and the owner/manager will see his or her personality as important within the process. They are unlikely to be overbearing in their approach, and personality is likely to be present in more subtle ways.

*You are a shoulder to cry on sometimes you are that one to share a joke with and there are times you'll sit there and they will sooner say nothing. DB, Pub 30.*

*You run an establishment that brings people in and if you don't talk to them, make them feel welcome, laugh and joke, a bit of banter and if people think this is a stuffy old place, they won't come back again. But if you have a bit of banter with them, they come back again; they think it's a nice place. SB, Pub 16.*

As illustrated above the personal interaction with customers is important to the individuals concerned and they believe it is an important part of their service offer. The trusting nature of their personalities could leave them exposed and have their goodwill taken advantage of.

*Most typical example of that was last Saturday night, we were invited to a wedding at Norwich, 4 o'clock in the afternoon, we were discussing it, we were talking about getting in about half past one, four or five weeks ago, things have changed since then. A few people said that they would help [customers]. They came in here 2 o'clock on Saturday with the idea of closing up by 3, or half past for a couple of hours, we came back in at 10 o'clock exactly when I said we would be back and the pub was absolutely full, all locals and it was absolutely a pleasure to walk into the pub as it was going, and they hadn't even had the chance to close. DB, Pub 30.*

It is not to suggest anything untoward happened from this unusual event where customers were allowed to operate the pub on behalf of the

owner/managers during an afternoon that they were away. However, it is interesting to note the establishment was not closed when the owners believed it should have been and the pub was described as buzzing. This may be a highly successful approach but may also give customers a chance to operate the pub on their terms at the owner/manager's expense.

Owing to the highly personalised nature of the service provided, and the personality of Group 5 respondents, customer feedback is likely to be taken seriously although few quotes were apparent within the data to support this beyond the unusual approach highlighted below.

*'X' is exceedingly good in one respect, but if he sees anybody who has gone out from here after a meal, he's after them in a second; he's always after a bit of feedback. He's very good like that. Sometimes people can come in and are convinced he is the landlord and I don't mind! It's a struggle some days in this pub to know who is the boss. DB, Pub 30.*

Again in this example the respondent is allowing a customer to play a highly unusual role within the business.

Product quality and consistency are recognised as an integral part of the customer service experience, and the stance adopted by Group 5 respondents is little different from that of some of the other categories.

*Very simple you buy the best. You buy the best and you look after it. Especially on our main food items, well because we produce our own, I'm afraid we are probably making the least margin of everyone else. DB, Pub 30.*

The interesting part about this comment is the apparent willingness to sacrifice margin to deliver good quality and, whilst at one level commendable, it may indicate some naivety around pricing and value delivery.

*Beer wise, we always ensure you've got a good pint, the pipes are clean, the place is clean and warm. Because when I worked part-time in a hotel, I was trained with an old boy, and he told me that no matter whether it's 6 o'clock at night, or 10 o'clock at night, when someone walks in a pub, the place should always look as though they are the first customer. SB, Pub 16.*

### **Customer service - summary**

The approach to customer service adopted by Group 5 respondents is likely to be highly personalised and developed around their own need for social interaction and a belief that this is what their customers require.

The methods undertaken to deliver service are apt to be fragmented and will lack formalised systems. Trusting in their approach this trust may lead to unusual practices that could leave the owner/managers potentially exposed and taken advantage of. Their approach to consistency and product quality are unremarkable other than that there is some evidence to suggest that they may provide product quality at the expense of their own margin.

**Table 24 - Group 5 customer service summary**

	<b>Systems</b>	<b>Personality</b>	<b>Watching and listening</b>	<b>Product quality &amp; consistency</b>
<b>Group 5 Customer service</b>	<p>Unlikely to exist in any formal sense.</p> <p>Service will be delivered through fragmented and highly personal approaches.</p>	<p>The role of personality within this category of respondent will be important. Their innate sociability and friendliness towards customers will ensure that this is the case. Less dogmatic than other categories their personality will be in evidence but in more subtle ways than other categories.</p>	<p>No formal systems will exist beyond conversation with customers.</p>	<p>As with other categories, although some commercial naivety may exist.</p>

## **Marketing the business**

Marketing is not a well-developed concept amongst this category of owner/managers and in this respect is unremarkable given the wider context of tenanted pubs. This said, they are clearer than some other categories on the offer that they are providing to the marketplace; they are more open to learning from customers and competitors and have a basic understanding of their target consumers. The offer is delivered consistent with their approaches in other fields through a friendly, social and collaborative approach with customers that may also be highly unusual.

Respondents within this category have a relatively well-developed appreciation of the offer they are providing to the market.



*There are no gimmicks, it's not, oh live music, it's jazz on a Friday, it's quiz on a Wednesday...it's not like that. People can come in here, any night of the week or any day, they can have a drink, there's a bit of background music, they can have a chat and that is the atmosphere we create, there is no gimmicks. MC, Pub 5.*

*We have turned the food business around into our own little specialist niche market where we are using our logo 'field to fork'. DB, Pub 30.*

*So this is a place where the older generation can come, you know sort of 25, 30 plus and have a quiet night with their partner. A couple that both work and never have time to prepare proper food. SB, Pub 16.*

Individuals within Group 5 have an appreciation of creating a customer experience and, as identified within the preamble above, this is delivered in a personable and friendly manner.

*We are doing a lot of roasts on a Sunday, which are harder work than the steak meals, because we can turn these steak meals out really, really well. I have now, on five occasions since we have been in here said to somebody, if they couldn't eat the steak, they wouldn't pay. They have paid every single time! We have enough confidence to lay that challenge down to just about anybody. Within reason, we give the customer what they want, don't we? Like tonight we are doing a birthday cake for a customer who comes in every night and spends a tremendous amount of money. We've done him a cake and got him a card. Its little things isn't it. DB, Pub 30.*

*What we are trying to generate here is a comfortable atmosphere, it is not down to price. But price is not really the big issue to me. MC, Pub 5.*

The above examples provide limited evidence of individuals attempting to create something for their customers to experience, however, it does seem that there is a great deal of goodwill and effort being expended with little overall science being applied to the approach.

In common with other categories, advertising is viewed with some suspicion although there is evidence of this category thinking about targeting their customers more accurately through the use of the medium. Thoughts about targeting customers are slightly more developed than some other categories within this study.

*I tend to hit the walkers, the campers. With the walkers' magazine, walkers tend to keep them to try different walks, you know what I mean? I find that a lot better advertising. SB, Pub 16.*

*That's the best form of advertising you can get, word of mouth. MC, Pub 5.*

*They came to me about that but they came to me because of the little bit of press releases certainly got put into the local paper. There is a chap that did this article, he did a much smaller article on me when I reopened the market and he lives in X so, we have done one or two articles over the years. DB, Pub 30.*

Competitors are viewed positively by the respondents counting competitors amongst personal friends. This again is a laudable situation but could leave the respondent exposed on a number of competitive fronts.

*We have had so much help and support from our locals, I've also had, I can ring up X in the Red Lion, I can ring up X or I can ring up X, and one of those three would do anything to help me out, or X at The Randolph. I've known them all my life, well maybe not my whole life but the last 15 years, they have all given me support and every one of them have been in here, and full of support. We are no competition to them either. X from Pub 22, X and Y are actually friends, they come in and see us as regular as anybody. DB, Pub 30.*

### **Marketing summary**

Respondents within this category would be unlikely to characterise many of these activities as marketing. Nonetheless their approach, whilst still limited and rudimentary, does demonstrate a level of thinking about the customer and how their business should be developed to meet their needs. The approach again is characterised through a personal and optimistic approach that sees them view customers and competitors in a constructive light. Lacking expertise in the field and with a trusting disposition, they are likely to be opened-minded to suggestions from customers and competitors and this may leave them exposed to potential commercial risks.

**Table 25 - Group 5 marketing summary**

	<b>Developing the offer</b>	<b>The customer experience</b>	<b>Advertising &amp; promotion</b>	<b>Competitors</b>
<b>Group 5 Marketing the business</b>	There is likely to be evidence of understanding their offer & customers being targeted. They will be inclined to react to customer feedback that could see the offer continually changing & developing.	The approach will be personal and idiosyncratic in nature. Trust in customers may leave owner/managers exposed to commercial risks.	Likely to be sceptical regarding the use of press and other media. They will engage where they feel value is delivered for them.	Likely to be viewed positively and relationships could be developed. As with trust in customers, absolute trust in competitors could leave them exposed to commercial risks.

## **Leadership**

Leadership is unlikely to be a well-developed skill with this category of respondent. They will prefer an approach that is consultative, meeting their need for social interaction, and they will listen to both staff and customers. There is little evidence to suggest that this group will be particularly decisive in their decision-making and will not consider their own leadership style or the use of tools and techniques to enable them to better manage their teams and the business. Elements of their style will be transformational in nature but these behaviours are likely to be acutely underdeveloped and therefore difficult to categorise accurately.

*I don't know, I think with any job, if you feel comfortable and if you feel...if management, bosses or whatever you want to call them are approachable, I think makes the difference. Instead of saying to someone, this is what you do, that is what you do, da da and you think right fine. If you say to someone, what do you think? I think it is a matter of getting everyone involved. MC, Pub 5.*

In this response, approachability and developing rapport is seen as a critical attribute in managing staff but does need to be allied to other techniques. In the case of respondents within this category, there is a likelihood that this will be the dominant technique and could lead to indecision and a lacking of the decisiveness of other categories of respondent. This is illustrated in the following illustration where teamwork is being discussed.

*The thing about me is, I will go into the kitchen, I will wash up, help prepare food, I will serve behind the bar, clean tables, I Hoover up, clean the pub myself. My policy in life is, if I can do it, anybody can*

*do it. Yes? You know, I'm not the kind of person to say, it's your job, do this, do that. I try to run the pub as a team. SB, Pub 16.*

### **Leadership summary**

Inherently warm and friendly people, Group 5 owner/managers are unlikely to consider leadership in the context of their roles. They will concern themselves with harmony amongst the team and will seek avoidance tactics rather than confront issues with staff. Their approach with staff, customers and competitors is likely to be consultative and discursive and may lead to a number of changes of direction as their business develops. They will be unlikely to deploy any of the tools and techniques available to them such as embarking upon the training and development of their teams or the use of recognition and reward systems to enhance the performance. The reason for this is very likely a lack of knowledge of such things, as there is nothing inherent within their personalities or style that would hinder the use of such techniques.

**Table 26 - Group 5 leadership summary**

	<b>Focus on people</b>	<b>Morale, motivation &amp; retention</b>	<b>Strategic use of rewards</b>	<b>Acting decisively</b>
<b>Group 5 Leadership</b>	Leadership behaviours are likely to be focussed on people and will be highly consultative in nature. Some indicators exist of transformational leadership behaviours but these are acutely underdeveloped.	Cultures and climates are likely to be supportive and therefore morale and motivation may be high amongst the team. This will relate to the warmth of personality of the individual owner/manager and will be serendipitous.	Unlikely to be undertaken owing to lack of appreciation of the potential.	Consultative style may militate against this.

### **Managing the business**

Potentially the most worrying aspect of the approach to owning and managing a tenanted pub amongst this category of respondent is their apparent naivety with regard to managing the finances of the business. As with all other categories, the same questions were asked of this group of

respondents and their responses provide evidence of an almost grave lack of understanding, controls and management in this area.

*You have to make a living and we still don't know really how well we are doing. Money does seem to go in one direction, which is out, but at the same time we have done more business than I thought we would ever do. We are having an independent monthly stock take done. That was a little bit of an eye-opener. DB, Pub 30.*

*All right, I put a lot of money in this pub and I could have lost it and that was Sarah on the phone and I just spoke to that woman in the accounting bit, they are looking after me very well and I do appreciate it. SB, Pub 16.*

In this extract, the respondent is discussing the potential loss of his business as being due to a shortfall in his revenues and overrun on costs.

*I think the problem with any business, you know, you can't seem to make enough profit. MC, Pub 5.*

In the following response the respondent is discussing being overcharged by his utility suppliers by over £10,000 over a 12-month period and was surprised at this. In itself this may be a relatively small amount for this business, but given that it was raised in this context, it is likely to indicate something to the contrary and does call into question the amount of time being paid to managing the financial aspects of this business.

*I think we have got various companies involved, whether it's gas, electric, water or whatever and it's a very, very volatile market now. There are so many wonderful deals on offer, allegedly. It's something that we are in the middle of right now, and that is actually reviewing our expenditure. Because through advertising or through however the business is. All right we know we are going to take X amount a week, roughly. Some weeks not quite so good, some are a bit better. The trend that is always the same, is we know what the rent is, we know what the rates are but all these others; gas, electric and all the rest of it is up and down and I think that is something that we are going to get to grips with, something we have got to look at. MC, Pub 5.*

## **Managing the business - summary**

The evidence provided by the data suggests that there are serious shortfalls in expertise amongst this category of respondent. There is little evidence to suggest that from understanding and predicting their takings, through to costs and profit margins, that much attention is being given to this important area. Whilst acknowledging the importance of the area, the approach is somewhat ad-hoc and presents the individuals with significant

personal risk. The approach is symptomatic of the approach adopted in other areas relying upon goodwill and optimism to enable them to overcome difficulties or obstacles that might present themselves.

**Table 27 - Group 5 managing the business summary**

	<b>Strengths &amp; weaknesses</b>	<b>Managing details</b>	<b>Control systems</b>	<b>Performance management</b>
<b>Group 5 Managing the business</b>	Little evidence of acknowledgement of strengths and weaknesses in this area.	Contra evidence to suggest that details are not managed.	Contra evidence to suggest that control systems exist.	Unlikely to be undertaken.

## Summary

Group 5 respondents are distinguished through their social, friendly and optimistic approach to business.

As the initial analysis revealed, all seven core values identified within that stage of the analysis are present within the responses of Group 5 individuals with the most regularly referred to values being pride (a feeling of self worth), satisfaction (the pleasure obtained from fulfilment) and enjoyment (that the role of tenanted Pub owner/manager provides them with).

With regard to staff management, Group 5 respondents characterise themselves through a rather ad-hoc and immature approach where formal organisation is unlikely, and where staff are likely to be treated as personal friends. The culture and climate within their organisations will be supportive primarily owing to the overt friendliness of approach and staffs are likely to be trusted implicitly with owner/managers potentially employing avoidance tactics as opposed to tackling staff directly on matters, roles and responsibilities and discipline. Opportunities for staff training and development are likely to be limited beyond on-the-job training and this will be provided in an unstructured manner. Communication within the staff team is likely to be good as a result of the supportive culture and climate, and the friendliness of approach. More formal communication will be weaker because issues of concern for the owner/manager are unlikely to be tackled directly with staff.

In the area of customer service, formal systems are unlikely to exist and therefore result in service levels being delivered through fragmented and personalised approaches. The role of personality within this service delivery mechanism will be important as the individual owner/manager's innate sociability and friendliness will play a major role. Trusting of customers, almost to the point of recklessness, Group 5 respondents are unlikely to be dogmatic in their approach to customers and will flex their

approach accordingly. Product quality and consistency will be given a priority and some commercial naivety may be evident.

Approaches to marketing, in common with other categories, will not be well developed and will be approached through trial and error and instinct. There is likely to be some intention and understanding of the need to be clear about their offer to the marketplace and Group 5 respondents will listen to and take customer feedback seriously. There is evidence within the data of some thought being directed towards acknowledging the need for, and delivering, a customer experience, although this will again be likely to be a product of trial and error and will likely be idiosyncratic in approach. In regard to advertising and promotion, Group 5 respondents are as likely as other categories to be sceptical although, in common with other groups, they will engage on an ad-hoc basis where they identify value for their businesses. Competitors are viewed positively, although no systematic approach to gathering market intelligence or learning from competitors will exist. Competitors are more likely to be viewed as personal friends and may expose this group to some commercial risks.

Leadership will have a strong people focus and will be consultative in nature. Some of the behaviours in this domain could be deemed to potentially be transformational in character, but these will be acutely underdeveloped. Cultures and climates will be supportive and therefore levels of morale and motivation within their teams could be high. This is will be serendipitous and relate to the personal warmth of the individual personalities. Owner/managers in this category will not formally consider the use of mechanisms such as organisational structures, reward and recognition processes, training and development and other systems to improve clarity for their team. This is unlikely to be a rejection of such matters, as might be the case with other categories of respondent, rather a lack of appreciation that such things could be used within their business. The decision-making style of Group 5 individuals will be consultative and this may militate against decisive action.

In terms of managing the business, there was little evidence within the data to suggest any form of systematic approach or appreciation of the basics required to monitor and understand the financial status of the business. Individuals in this category seemed to exhibit contra evidence towards managing the day-to-day details, implementing financial control systems and monitoring performance over an extended time horizon.

## CHAPTER FIVE - PROJECT 1

### **Findings and discussion**

The purpose of the following section is to represent the findings from the analysis phase of the project discussing and considering the implications for both theory and practice. Consistent with a realist ontology and qualitative methodological approach, causality is not being alluded to or claimed, however, a large body of literature in the field does identify and infer a relationship between personal values and management behaviours and it is this relationship that underpins the research and its findings.

From the perspective of espoused personal values, the research has revealed a remarkable degree of consistency in regard to those that the ownership and management of a tenanted pub invokes and is said to fulfil for respondents. All 27 respondents use consistent language when describing values and seven core values were emergent [Care, Challenge, Enjoyment, Freedom, Integrity, Pride and Satisfaction]. The area of significance with regard to these phenomena is not the consistency of language, rather the inconsistency of management behaviours apparent in the findings. These marked inconsistencies are detailed in the previous chapter and have led to the following working framework being developed - see figure 5.1 below.

Each of the categories identified have their own idiosyncrasies and approaches to owning and managing their businesses. At this point the categories have been named to provide greater clarity and understanding and to facilitate their practical use.

Group 1 differentiate themselves through their well-rounded and professional approach to systems and organisation. From this point forward, Group 1 are identified within the thesis as 'professionals'. Group 2 respondents are identified by their focus upon the social opportunities owning and managing provides. As the thesis progresses, Group 2 respondents will be referred to as 'social eventers'. Group 3 are marked by their traditional and positive outlook towards their business and life in general. This self-assured group of individuals will be identified as 'positive traditionalists' for the remainder of the study. Group 4 individuals are distinguished by their traditionalist approach to pub ownership and management. More than most the notion of tradition appears as part of their value and belief system. They broadly hold negative views about much of the outside world, and use these views to rationalise difficulties they may be experiencing. This group will be identified as 'negative traditionalists' as the thesis develops. Finally, Group 5 participants are differentiated by their friendly and optimistic approach to their business and life in general. They enjoy good relations with customers, suppliers, competitors and all other associated stakeholders. Their approach encompasses an optimistic view of human nature and, when allied to a



commercial naivety can leave them exposed. From this point forward this category of respondent will be identified as 'friendly optimists'.

As this study has progressed, espoused values themselves in the context of this research were notable through their consistency but, in context, were little more than words. It is interesting that owner/managers who have little contact and are geographically dispersed were able to articulate and use the same words to describe their values. This is not the critical issue however. Rather it being the way the individuals choose to use their interpretation of these value words to influence their behaviour, in other words how they are operationalised.

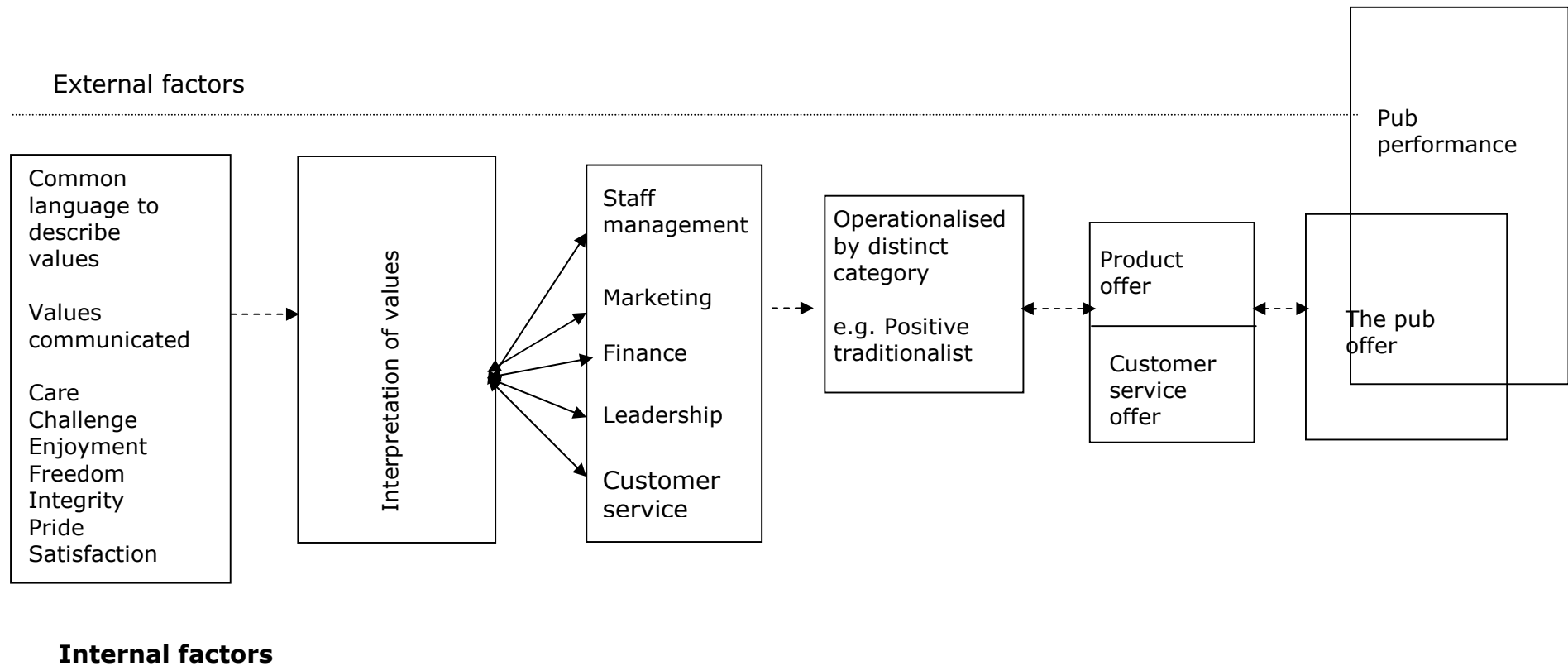
The literature on the role of the central coordination of values is broad and complex and presents a mixed picture with compelling arguments being presented by scholars on both sides of a divide. Some argue the role for the central coordination and communication of values and the fundamental role this process plays in the development of progressive organisations. Others argue from a perspective that sees values as personal to the individual and therefore incapable of being centrally coordinated in terms of meaning and interpretation.

In the specific context of the tenanted pub businesses within this study, there is considerable consistency revealed in the value-words espoused by owner/managers, and this could present and support an opportunity for central coordination. This would provide context and meaning to words that individual tenants already recognise and identify as being relevant to them. This may provide an opportunity for a congruence of values that is consistent with the body of work produced by Liedtka (1989) and provides the parent organisation with architecture to begin addressing behaviours identified that are inconsistent with its brand identity and contradictory to its own values framework. This is, however, unlikely to be a task to be undertaken easily as many of the interpretations of values and their relationship with management behaviours appear to be embedded or 'hardwired' amongst certain categories of respondent and indeed may be so engrained and deeply held that they are beyond change. The following role-ordered matrix, Table 28, derived from the typology identified in the analysis phase, summarises the position. The matrix provides both an overview of the characteristics identified during the analysis and a reference point for the parent organisation to begin to develop further its own understanding of the various approaches adopted amongst its tenanted pub owner/managers. This is an important consideration given an external environment that will require adaptability and flexibility as they orientate and develop their businesses for the future, a requirement previously discussed in greater depth within the research agenda section of this thesis.

**Figure 5.1 – Emergent conceptual framework**

Revised Working Framework - Internal factors only

Note: Dashed arrowheads imply a relationship not causality.



**Table 28 - Role ordered matrix pub licensee characteristics**

	<b>Professionals Group 1</b>	<b>Social eventer Group 2</b>	<b>Positive traditionalist Group 3</b>	<b>Negative traditionalist Group 4</b>	<b>Friendly optimist Group 5</b>
Organisation	Concerned with organisation and building a team.	Has little concern for organisation.	Concerned with order and Hierarchy.	Concerned with order and Hierarchy. Unlikely to empower people.	Concerned with harmony within the organisation.
Concern for staff	Concerned about staff - can employ more contemporary people management techniques. Relationships built upon trust.	Concerned about staff as friends - employs family.	People viewed positively. Employs traditional people management techniques. Can, and often does, have long-serving staff.	People viewed as helpers. Employs idiosyncratic people-management Techniques. Can have high staff turnover.	Concerned about staff as people.
Leadership	Has more contemporary views on leadership. Likely to display transformational behaviours.	Has perfunctory views on leadership.	Has traditional views on leadership. Behaviours likely to be more transactional than transformational.	Holds very traditional views on leadership. Sees them self as a natural leader.	Leadership through friendship.
Training and development	Staff are encouraged to develop. Provides training and development. Provides clarity for staff.	Little training and development provided for staff.	Trains and develops people along traditional functional lines. Provides clarity for staff as to what is required of them.	Unlikely that any training and development opportunities will be provided. Staff are not valued in this way.	Staff encouraged to develop. But this can be in a haphazard way. Few structured training and development opportunities will be provided.
Competitors	Views competition as an opportunity to learn - will scan external environment in a focussed way.	Views competition negatively.	Relatively negative towards competition although will cooperate at times.	Extremely negative towards competition.	Wants to learn and will scan the external environment randomly.
Customer Service	Concerned about customers and service. Builds robust operational systems, and monitors performance.	Concerned about customers and service although can be divisive and exclusive. Unlikely to build system to support service delivery.	Holds traditional views of service and product offer. Product offer seen as critical.	Has traditional views of service. Behaviour expected from customers in return - can be confrontational. Systems unlikely to exist. Service idiosyncratic.	Concerned about customers; relies upon goodwill. Lacks systematic approach. Displays commercial naivety.

Focus	Adopts a meta view of the business.	Has a narrow focus on customer relationships. Can develop cliques amongst customers.	Has narrow view of the pub and the role it performs in society.	Has very narrow view of the pub and the role it performs.	Has a tendency to 'butterfly' with different ideas and concepts.
Involvement	Is more detached from the business.	Is intimately involved in the business - mixes business and pleasure.	Is closely involved with all aspects of the business.	Is closely involved with all aspects of the business.	Is intimately involved with the business.
Likely worldview	Has clear ideas and vision for business. Can be more innovative.	More reactive. Customers unlikely to be involved in the development of the business.	Has a relatively fixed worldview, although will seek to develop the business over time.	Has a rigid worldview. Unlikely to view any change positively.	Has an optimistic worldview. Will view change positively. Likely to jump on to latest fads.
Values	Applies values in a broad, abstract and complex manner.	Perfunctory approach to values.	Values deployed in a traditional manner.	Values deployed in carrot and stick manner with staff and customers.	Values deployed in developing the offer and dealing with staff.

Moving to the relative business performance of the categories, it is notable that the relative superior performance of the categories identified as 'professionals' and 'positive traditionalists' is valuable to the Parent Co. This is based upon harder, quantitative performance measures as defined by the parent organisation. As often is the case with hard measures of performance, these will undoubtedly be an over-simplification of a complex area. The data does, however, generally support the view that the relationship between the management behaviours of these two categories and the performance of their businesses is a positive one. Using these hard data, 'professional' owner/managers and 'positive traditionalist' owner/managers occupy twelve out of the top 15 pubs within the study ranked by total monetary value, defined as gross sales plus rent, on a moving annual total basis, to the Parent Co.

The data produced and the subsequent discussion, highlights and provides an indication to the Parent Co that by recruiting, developing, supporting and retaining owner/managers who display the characteristics of either the 'professionals' or the 'positive traditionalists' they will, subject to external factors being equal, improve the likelihood of achieving superior performance from their pub estate. In the areas of recruitment, development, support and retention, the Parent Co will need to consider a range of approaches arising from the role-ordered matrix and these fall beyond the scope of this initial study but will be included in subsequent projects.

## CHAPTER 6 - PROJECT 2

### RESEARCH METHOD

#### Background

The second stage of the DBA research was again set within the UK Regional Brewer based in East Anglia.

Once again a cross-case study approach was adopted within the project. The sample for the research was owner/managers determined in Project 1 as 'the professionals' and 'the positive traditionalists'. Although 'positive traditionalist' forms the largest single group in the original study - 12 out of a sample of 27 and 'the professionals' one of the smallest groups - four out of 27, it was decided to equalise their representation within Project 2 with a sample of three individuals from each category. This was done in order to provide equal voice to both of the categories that are of similar value to the parent organisation in financial terms. The approach adopted looked at the medium-term history (past four years) of each establishment (pub) currently owned and managed by participants. These historic perspective provided background data in terms of the capital investment made by the Parent Co, the capital investment made by the individual, the profile of sales over the period in respect of beer, wines, spirits, soft drinks and food together with rental receipts for the property. This data supplemented semi-structured interviews conducted with each of the individuals that sought to understand their management behaviours in greater detail and explore their attitudes towards, innovation, risk and independence (Longenecker and Schoen, 1975). The work builds on the emergent conceptual framework detailed in Project 1 and which continued to develop as the research progressed. Appendix 5 refers.

The case study approach was again adopted in order to arrive at 'thick descriptions' (Gomm et al, 2000). The research builds on Project 1 - in that the first project identified categories of owner/manager who were bringing their *personal values* to life in particular ways through management behaviours and approaches to organisation. Within the specific environment of tenanted pub management, these individuals also indicated interesting approaches towards risk, innovation and exercising their independence, and through developing their businesses beyond what was initially thought to be possible. It is this relationship, together with understanding the conditions necessary for these people to succeed that motivated the research agenda for Project 2.

#### Origins of interest

Project 2 builds upon and develops the work originally conducted in Project 1. The initial project revealed considerable consistency of language amongst owner/managers when describing their own personal values, and considerable variability when these values were operationalised within

their respective businesses. A taxonomy highlighting five different types of tenant was identified with two of these groups achieving, in terms of business performance, better than the remaining three, performance in this context being defined in terms of hard, financial and volume measures as defined by the Parent Co. This relative superior performance related in part to the way in which these individuals approached their organisation in the widest sense. The individuals within the two categories identified were, and continue to be, valuable to the Parent Co, and their retention, motivation and development is beneficial not only for the Parent Co but also more generally for a licensed trade that must continue to adapt and change to meet the needs and changing demands of the new consumer.

### **The research agenda - the business problem**

The project looked at entrepreneurial behaviours amongst categories of individual in the specific context of owning and managing a tenanted pub linked to a Parent Co.

There are a significant, but reducing, through consolidation, number of brewer/pub operators who offer traditional tenancy arrangements, a low-cost way for individuals to acquire and manage their own business. In addition, there are specific tenanted and leased pub operators (Pubcos) who offer both traditional tenancy agreements and longer lease arrangements that may enable the owner/manager to build his or her own equity in the business, although these will usually carry a higher cost of entry over a traditional tenancy. These subtle changes to the marketplace for owner/managers mean that the competitive environment for securing the services of business people capable of owning, managing and building significant on-trade businesses has become more challenging. This, allied to the need for pubs to innovate and change in the face of a tougher competitive and regulatory environment and more knowledgeable consumers, means that attracting and retaining high quality talent that can innovate and challenge traditional approaches becomes a critical issue for the Parent Co and the industry as a whole. These questions and issues have evolved following conclusions in Project 1 where categories of owner/manager who have a more enterprising and entrepreneurial approach were identified.

### **Methodological choices and approach**

The methodological approach adopted concurs with ontological and epistemological choices made in Project 1 and is consistent with a number of studies adopting both realist and interpretivist methodologies in this area. The positivist tradition in social research suggests that the researcher should remain detached and unprejudiced (Blaikie, 1993). This was difficult for me in my current job role as any contact whatsoever was likely to introduce bias of some kind; both on behalf of myself the researcher and the respondent who may wish to send messages back to

the organisation. As the researcher, I remained fully cognisant of this throughout the study. It did not, however, derail the validity or reliability of the data collected because, in contrast to the positivist stance, an interpretivist perspective adopts an attitude that suggests that social sciences cannot just be measured in a detached and unprejudiced way as they are fundamentally different from the natural sciences. Therefore, it follows that knowledge can legitimately be gained if the subject matter is viewed from the perspective of those intimately involved. The interpretivist therefore believes in a social reality that is deeply subjective arising from meanings and concepts constructed by individuals themselves. Consistent with this, the critical realist approach is not dogmatic and does not rely, or insist on, a particular method of inquiry and support, the notion that methods should be appropriate to the particular study in question (Blaikie, 1993).

### **Sample selection**

Project 1 identified five categories of pub owner/manager. This taxonomy arose from a qualitative inquiry that identified considerable consistency of language in describing personal values, and considerable inconsistency in how those same values were operationalised through management behaviours. Within Project 1 two categories emerged as most valuable to the parent organisation and demonstrated that they were prepared to incur both personal and financial cost to develop their businesses in ways that were challenging to the Parent Co and the market generally. It is this subgroup of individuals and their businesses that Project 2 progressively focussed upon. A sample of three respondents from each category (total  $n = 6$ ) was selected providing equal weight within the sample to the voice of the different types of enterprising individual owning and managing these businesses. This number was considered significant enough to carry weight within the academic and practitioner community. The principal reason for this is that the study arises from a broader sample of owner/managers, identified from a wider population ( $n = 27$ ). In particular, the practitioner community will view this as a progressive and logical focus upon valuable categories that are of particular interest.

Again, as with Project 1, it was an aim to ensure that all those to be interviewed were 'contracted in' to the landlord and tenant act as part of a process of reassurance for owner/managers. Once again, all owner/managers were contacted by the Parent Co highlighting the voluntary nature of participation.

### **Each pub as a case study**

The case study method is appropriate when research questions are concerned with description and understanding, and is particularly appropriate when 'how' and 'why' questions are being asked. These questions form part of a set of conditions that ought to exist when considering the 'relevant situation' for a case study approach (Yin, 2003).



These conditions are: the extent of control over behavioural events together with the degree of focus on contemporary as opposed to historical events. Taking each of these conditions in turn as they relate to this research, the following provides an indication as to the appropriateness of the case study approach: the research questions in this study are concerned with the exploration of individual owner/managers' enterprising and entrepreneurial tendencies and behaviours. The focus of the research was on hearing individuals' own contemporary accounts of the ways in which they approach opportunities and developed their own particular businesses. (However, it should be acknowledged that it was also necessary to discuss and understand the past to add context, meaning and explanation to contemporary events.) The forthcoming narrative and stories were intended to be entirely theirs and beyond the control of the researcher. The case study approach was therefore felt to be justifiable in this context. The need to focus on what is going on now (contemporary events) indicates case histories as inappropriate and, as the research does not concern itself with the control of events, other methods such as action research were also considered to be inappropriate at this stage of the overall thesis.

In summary, the choice of the case study approach was made because it can generate broad informative data that possess richness and depth and have the potential for revealing a complexity, rooted in a localised and real context (Miles and Huberman, 1994).

### **Unit of analysis**

The unit of analysis can take many forms and requires consideration because different units or levels of analysis determine different research and data collection strategies (Yin, 2003). Within this second study, the unit of analysis could potentially present itself at two levels: the level of the overall category of owner/manager identified in Project 1 or indeed, as decided here, the level of the individual owner/manager. This later level was considered most appropriate, as it is the individual's enterprising and entrepreneurial behaviour and subsequent personal constructs around this behaviour that form the focal point of the study.

### **Research aims**

The research builds upon the findings of Project 1 where two categories of owner manager were identified as being particularly valuable to the Parent Co. It was therefore important that the Parent Co understands and can work with these individuals to help them develop their businesses and, as a direct consequence, develops its own business with them. It was intended to examine the two categories of owner/manager identified through the lens of entrepreneurship, thereby seeking to understand how diverse the approach of the parent organisation should be, and attempting to create an environment where more enterprising owner/managers might succeed. This approach gives rise to the following research questions:

## **Research questions**

1. RQ3.1 What approaches do 'professional' and 'positive traditionalist' owner/managers adopt to developing their business?
2. RQ3.2 Do the approaches adopted differ between the two categories of owner/manager under investigation?

## **Data collection**

The principal thrust of this piece of research was to understand the constructs and attitudes that individual owner/managers hold around growing and developing their businesses. In particular, the inquiry sought to understand attitudes to risk, innovation and independence. One-to-one semi-structured interviews were conducted with each individual. Again, as with Project 1 the interviews were conducted on their premises with the aim of creating a relaxed environment where rapport could be built, leading to deeper, more meaningful responses being elicited. Project 1 revealed a high level of candour amongst respondents and a degree of ease with the process. Therefore there was little risk involved with this approach. Owner/manager interviews were supplemented within the case study approach by desktop research into the historic performance of each of the establishments [pubs] in question. Also ethnographic observations were made of their premises/establishments. This additional data provided further richness to each of the individual case studies and provided specific pointers to incidents in the history of the business that were worthy of exploration at the interview stage.

## **Pilot study**

The interview protocol set out in Appendix 6 was tested in two initial interviews to assess the process and questions. The individuals selected for this phase of the research did not take part in the full study.

## **Interview/case study structure and protocol**

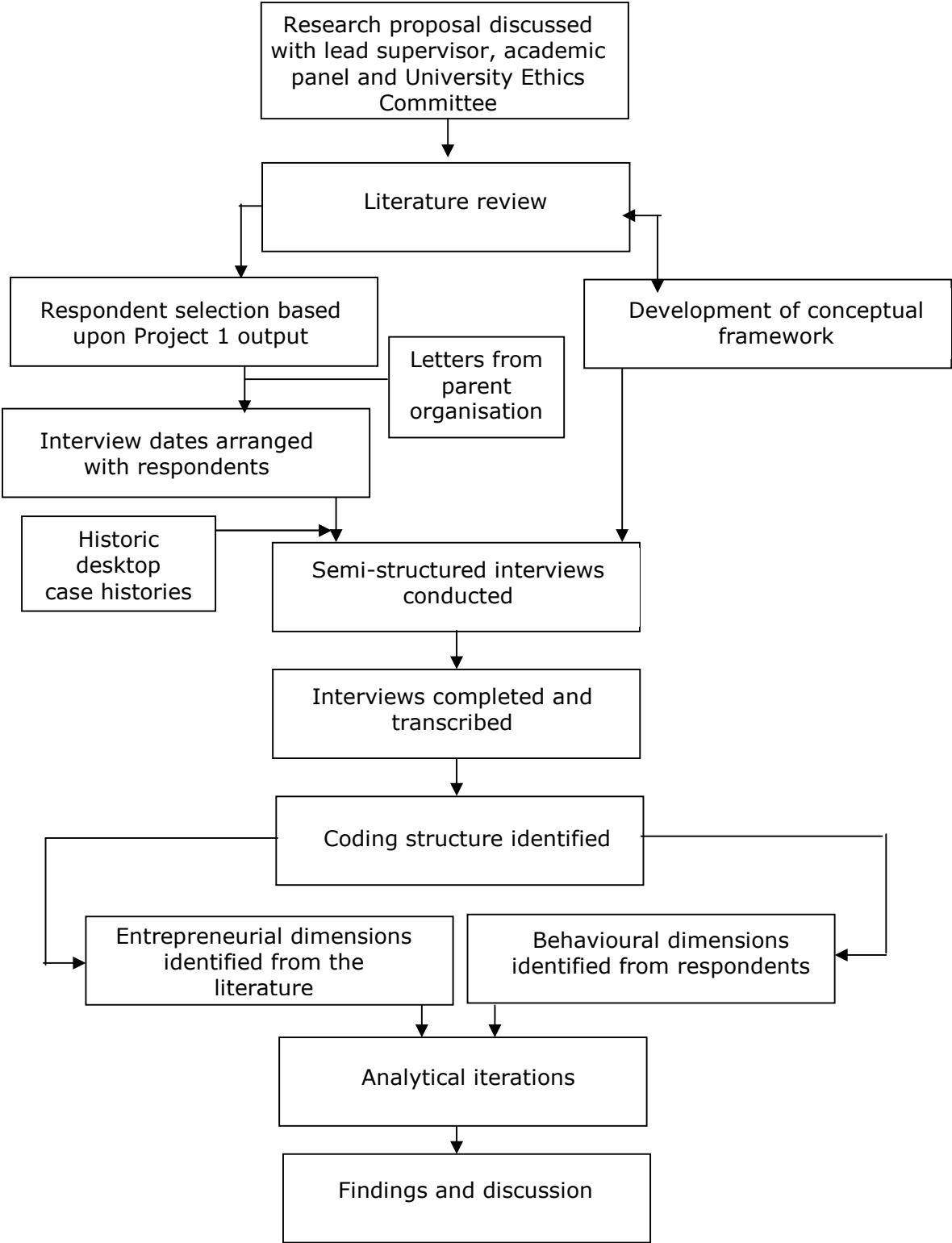
Jones (1985), quoted in Easterby-Smith et al (2002), suggests that the main reason for conducting qualitative interviews is to understand "how individuals construct the reality of their situation formed from the complex personal framework of beliefs and values, which they have developed over their lives in order to help explain and predict events in their world". The interviews with tenants were developed and conducted in such a way as to gather their personal constructs and critical insights into the subject matter at hand.

## **Data analysis**

The data analysis approach developed the individual case studies and compared them within category and across the categories under

investigation. A summary for each individual respondent was developed from their responses under each of the core themes arising from the literature and aligned where possible with the 'emergent conceptual framework' (Appendix 5) under development. The data was distilled from the broad historic picture of performance, as supplied by the Parent Co, ethnographical observation and semi-structured interview data. This was then used to inform the development of a coding structure for use within Nvivo (Appendix 9). All interviews were taped and subsequently transcribed into Microsoft Word. The individual transcripts were then analysed, conducting a number of iterations within Nvivo. The following figure 6.1 sets out an overview of the methodological approach.

**Figure 6.1 - Overview of methodological approach**



## CHAPTER 7 - PROJECT 2

### RESULTS

#### INTRODUCTION - 'THE PROFESSIONALS'

This chapter reviews the results of qualitative research conducted with each of three owner/managers defined as 'professionals'. The analysis of each case includes within it a section on ethnographic observations of the establishment [pub] and overall impressions of the owner/manager. These later observations will undoubtedly carry some inherent bias, however, when triangulated with interview responses and the numerical data through which the Parent Co assesses the performance of each individual pub, it provides a richer and more complete picture. This is consistent with the approach recommended by Miles and Huberman (1994) for summarising and analysing data. The transcripts from the semi-structured interviews with each of the individuals were coded around core themes and entered into, and analysed within, Nvivo. These core themes arise from the literature, in particular the work of Schumpeter (1934) who identifies entrepreneurs as innovators, 'change agents' and creators of discontinuity. This theme is built upon by Longenecker and Schoen (1975) who identify independence, risk and innovation as critical issues.

#### 'The professionals'

(descriptor taken from Project 1)

'Professionals' are concerned and sensitive to the organisation and the multiple interdependencies involved in owning and managing their business. They tend to view their business as a complete system, and understand the role of relationships, and work to develop them with suppliers, customers and staff, recognising them as critical to their success. They concern themselves with their teams and team development. They typically operate within a leaning towards a transformational leadership style (Bass and Avolio, 1996) and are inclined to view competition as an opportunity to learn. They will scan the external environment in a focussed way to ensure that they assimilate ideas and develop their own business. This external scanning may be conducted widely, and influences can come from outside the industry. They are concerned about their customers and listen to feedback and often act upon this feedback to develop their business. They are equally prepared to work with other stakeholders to develop their business. More entrepreneurial and innovative than other categories, they adopt a meta view of the business and work in a more detached way. They talk of sensing how the business is going and link this with visual inspection to confirm their feelings. Their application of values is broader and more abstract than others.

## **Pub 9 - Case study**

### ***Tenant biographical data***

Age range	46 - 55
Education	Secondary 'O' and 'A' levels
Length of time in licensed trade	20 yrs +
Length of time with current Parent Co	15 yrs
Number of other pubs	1
Other work experience	Parents' hotel business

### ***Values articulated as important within project 1***

Care [responded as the most important personal value]  
Freedom  
Satisfaction  
Pride

### ***Ethnographic observations***

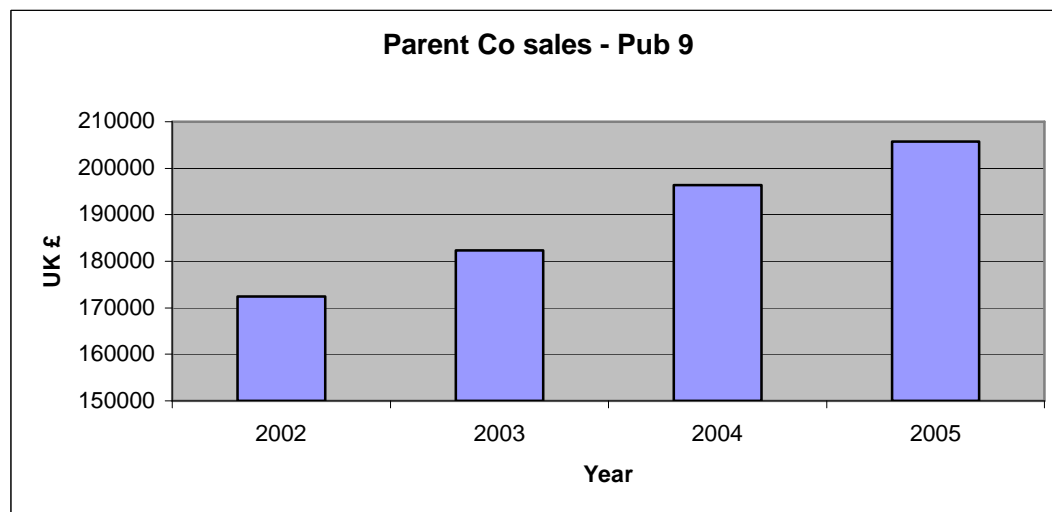
Externally the building is a series of modular boxes. Essentially a roadside tearoom, the premises have been extended over and over. Internally there is a terrace bar, lounge bar, restaurant and separate eating area that caters for children. There is a sizeable well-maintained garden with a large number of outside tables and patio heaters. A large section of the garden has been fenced aside for play equipment. The service areas are large, functional and well equipped. The style of operation is deliberately aimed at the family and mass market. The entire operation stands or falls by the level of service offered. Service features high on the owner/manager's priorities and therefore turns out to be delivered to a high standard. The food offering is above average and the drinks choices are fashionable. Pricing is at the premium end. Fixtures and fittings are 'catalogue' but do come from the higher end of the range of a better than average supplier. Over the past five years the business has had investment of £123,000 (from the Parent Co) to refurbish the terrace bar, add new toilets and alter the catering kitchen. The owner/manager adopts a hands-off role and manages his 70 staff and the overall business through a series of departmental managers. As with service, people feature highly on the owner's agenda and the business has relatively sophisticated people management processes in place and is accredited to the Investors in People (IIP) standard. The owner/manager is keen to build on the relationship with the Parent Co and would like to enter into further joint ventures. The relationship is currently subject to a long-term agreement and the business pays a subsidised rent in return for the owner/manager's own significant financial investment in the premises. The owner/manager is always seeking to improve the fabric of the premises and there are likely to be regular requests for the Parent Co to

help financially. Currently these would need to be met with equal investment from the owner/manager to maintain the terms of the agreement.

### ***Value to the Parent Co***

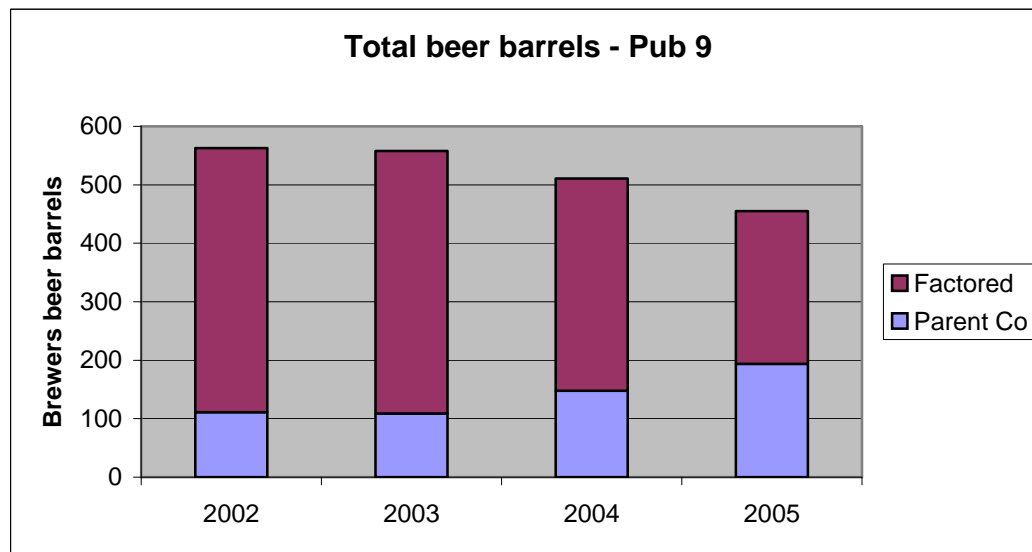
At both turnover and contribution levels, this establishment consistently ranks at the top of the 84 pubs that comprise the Parent Co's tenanted pub retail business. Wet sales (beer, wine, spirits and soft drinks) are consistently high, and the business is also paying the highest rent in the estate (even though this is viewed as subsidised by the Parent Co). The following charts provide a view of turnover and business volumes over the past four years.

**Figure 7.1 - Pub 9, Parent Co sales**



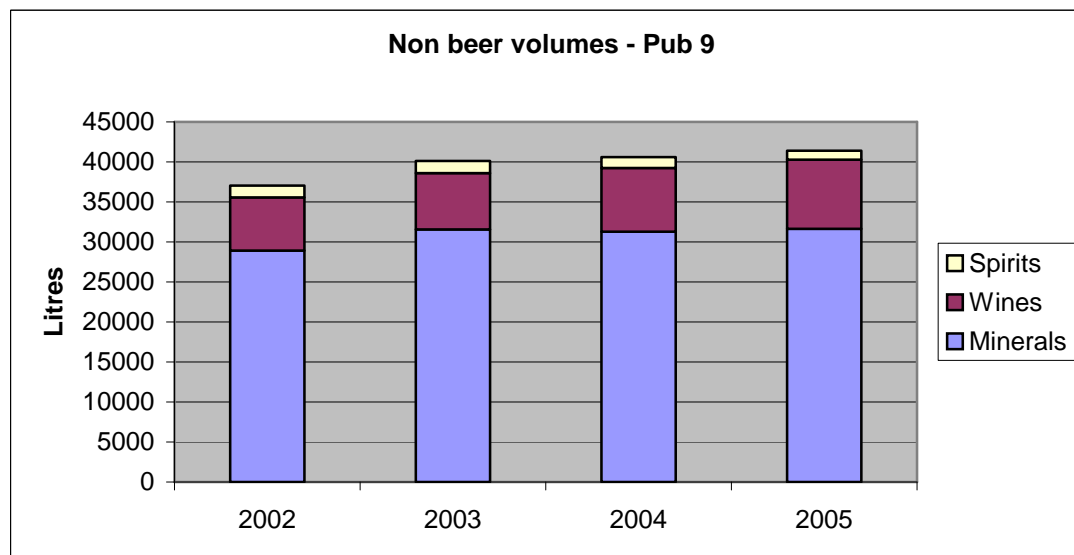
This owner/manager has generated consistent growth in purchases from the Parent Co over the past four years that average 6% pa. In particular the years 2003 and 2004 saw sales rise by close to 8% in a market that sees pub visits declining. Even when adjusted for inflation the business continues to demonstrate real growth.

**Figure 7.2 - Pub 9, total beer barrels**



Whilst total beer barrelage has fallen over the period, this represents the owner manager's attempt to re-orientate the establishment away from the 'big night out' event where lots of beer is consumed, to a more family, winding down and food-led occasion, a theme picked up by the owner/manager in his commentary. The result is that sales of lager, in particular, have fallen, and sales of products provided by the Parent Co increased.

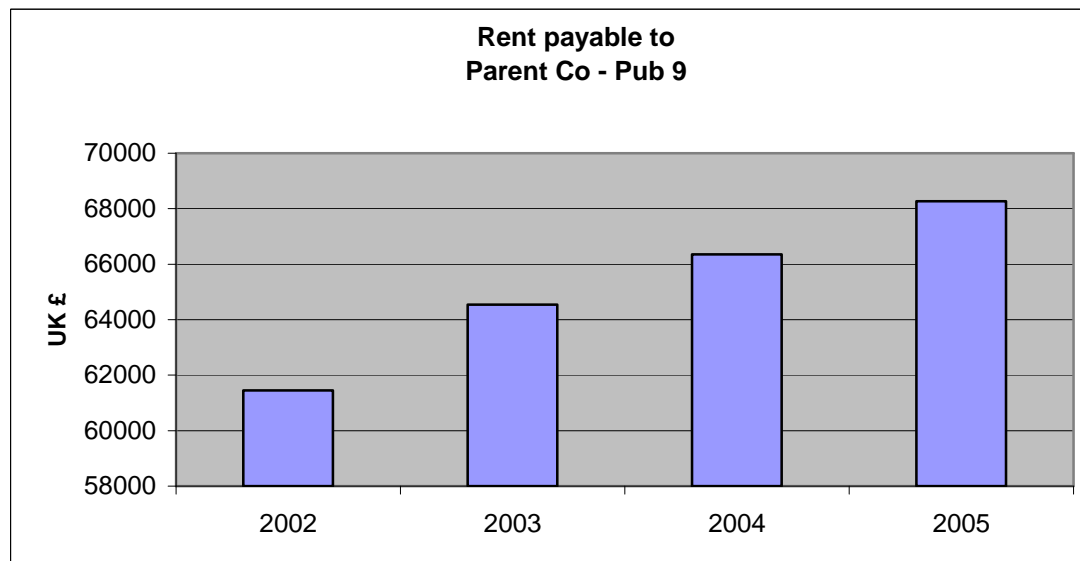
**Figure 7.3 - Pub 9, non-beer volume**



Non-beer volumes have remained relatively static and at high levels over the period in question. This reflects the core focus of the business on the food-led family market.



**Figure 7.4 - Pub 9, rent payable to Parent Co**



Rental income for the Parent Co has continued to increase throughout the period under investigation. This in part reflects the long-term agreement in place with the individual owner/manager (which includes a subsidised rent) but also reflects the relative success of the business because the rent charged to the business is also related to turnover (approximately 10%) including food sales. The total revenue value of this business to the Parent Co over the four-year period in question was £1,017,000.

From the perspective of the Parent Co, the business represents a valuable part of its estate and is owned and managed in a financially sustainable manner by an experienced and at times challenging individual. The net result viewed from the perspective of the Parent Co is of a positive relationship built upon mutual respect and strong performance. The following paragraphs take data from the semi-structured interviews and organises this around the core themes identified.

### ***Attitude to risk***

The Pub 9 has been invested in regularly and heavily over time, prompted by an owner/manager who is discontented with the status quo and who is constantly looking to develop the business.

*'You know you do things but not what I call earning my keep or worth, or you know I need to be slightly more on the edge and living a bit more danger.... a bit more adrenalin'. TY, Pub 9..*

This appetite for 'doing more' is underpinned by the relatively innovative tenancy agreement; it is the only long-term agreement of its type that exists with the Parent Co. This agreement involves significant financial investment and commitment from the individual owner/manager and, as

suggested, it is from this base that he views the world. This worldview is encapsulated in the following and is reflected in the different ventures that he is currently involved with.

*'Having been at this so long I don't think it is a high risk at all. I think it is incredibly safe'. TY, Pub 9..*

*'[Location supplied]' is a risk... the risk is the market conditions but then you would have that wherever you were, tenancy or freehold'. TY, Pub 9..*

And in referring to financial risk and the value of the business, the individual displays a similar seemingly relaxed attitude.

*'You know it wouldn't really matter how bad it was, it's still worth something. It's just a question of how much'. TY, Pub 9..*

This individual does display behaviours that suggest he is scanning the external environment and assimilating data in an intuitive way and using this to make decisions within his businesses. In the following illustration, the individual is discussing the smoking ban being introduced by government in July 2007 and his own early reaction to this.

*'But I think you know, we are positioned and we are taking pain now where a lot of other people will take pain in two years' time, and we won't see a redress in that balance until another two years really. So to me if you have to start changing dramatically what you do because of the change in government or regulation, you've got something wrong at the outset'. TY, Pub 9..*

This experienced and confident owner/manager displays an attitude towards risk that is relatively relaxed. He uses risk as a mechanism to provide him with interest and the necessary motivation; he actually uses the word adrenalin metaphorically to highlight his desire to keep on developing his business and moving forward and, in his words, 'earning his keep'.

### ***Independence***

As with many respondents within this sample, freedom featured highly amongst their personal values and was communicated as important by this respondent. Freedom as a value can be expressed as the ability to act independently. This notion of independence arises regularly in the entrepreneurial literature and is expressed by this respondent in terms consistent with notions of entrepreneurial behaviour.

*'So you know what the hell do you do? With time you know the kids are in bed and so, you know bring it on! I might have some concerns*

*and you know fears and everything else but I'd rather just you know I think I've used the expression with you before - go through that into that black hole and find the floor somewhere'. TY, Pub 9..*

Within this extract the respondent is referring to his personal need to continue to develop his business interests, looking to implement new ideas and challenge himself. Interestingly this need to make changes and move things forward does not seem to have end goals other than to enjoy the whole experience. This approach seems to be at odds with some of the entrepreneurial literature that suggests individuals of this type are very much aware of their end goals. The following quote in the case of this individual suggests otherwise.

*'I think it's actually more important to enjoy that journey throughout than it is to arrive at the destination and then have all the cash or the time for you'. TY, Pub 9..*

This respondent also views independence in the context of moving his business forward and being free to implement changes that his scanning of the external environment identifies. He translates independence into an ability to maintain momentum in his business and make change ahead of competitors over a timescale dictated by him.

*'You know strategically saying "well these things are going to come up" and you just start factoring them in, in a very smooth gentle kind of ordinary way. You know, so there is no panic. I can't put it any differently... I can't struggle... I couldn't you know with all the stuff that's going on about smoking; I can't imagine how everybody isn't doing something about it. It's like so evident what will happen and the pain - why not sort it now? Don't bloody wait! Because then you will be forced into a corner and that will be traumatic. And then again, it's very unpleasant losing drinking business. It doesn't make me feel good at all but I would rather take that pain where we can control it, you know because if I had to I could give you notice and leave if it was going to be too painful, I could relax the rule and allow them to smoke a bit more knowing in the future - you know, in control of the situation. Not letting others dictate to you'. TY, Pub 9..*

It is clear that this individual values his independence and uses the freedom this affords him to develop his business and maintain momentum. There is urgency in his use of language and he communicates urgency in his behaviour without communicating longer-term end goals. This individual seems to thoroughly enjoy freedom and independence and seems to want to enjoy this without committing to longer-term end goals at this stage.

## ***Innovation***

Innovation is associated closely with entrepreneurial behaviour. In this sense it was surprising that this individual, who has been the architect of much change within his business, pushed the Parent Co to implement a unique and long-term tenancy agreement and implemented innovative people management techniques, articulated a personal construct of his innovation as just common sense, a common sense that he believes arises from his scanning of the external environment, listening to others and to his own personal instincts as illustrated in the following quote.

*'I don't, you don't, no, common sense and I think instinct. Except it's not...it is instinct but it's not instinct. When you hear so much in the bloody press about smoking and antisocial behaviour and Sky charging you a thousand pounds per month for TV. You know when we are running happy hours and when we started to get a few more chavy type people coming our way and extra fighting, when the policeman talks to you and says "when that England game went on and what happened afterwards wasn't very good was it?" You know it's not very hard to know that you do need to do something different'. TY, Pub 9..*

## **Pub 10 - Case study**

### ***Tenant biographical data***

Age range	46 - 55
Education	Secondary 'O' and HND hotel and catering
Length of time in licensed trade	14 yrs
Length of time with current Parent Co	7 yrs
Number of other pubs	1
Other work experience	Hotel and contract catering industry

### ***Values articulated as important within project 1***

Care  
Enjoyment  
Honesty [responded as the most important personal value]  
Pride

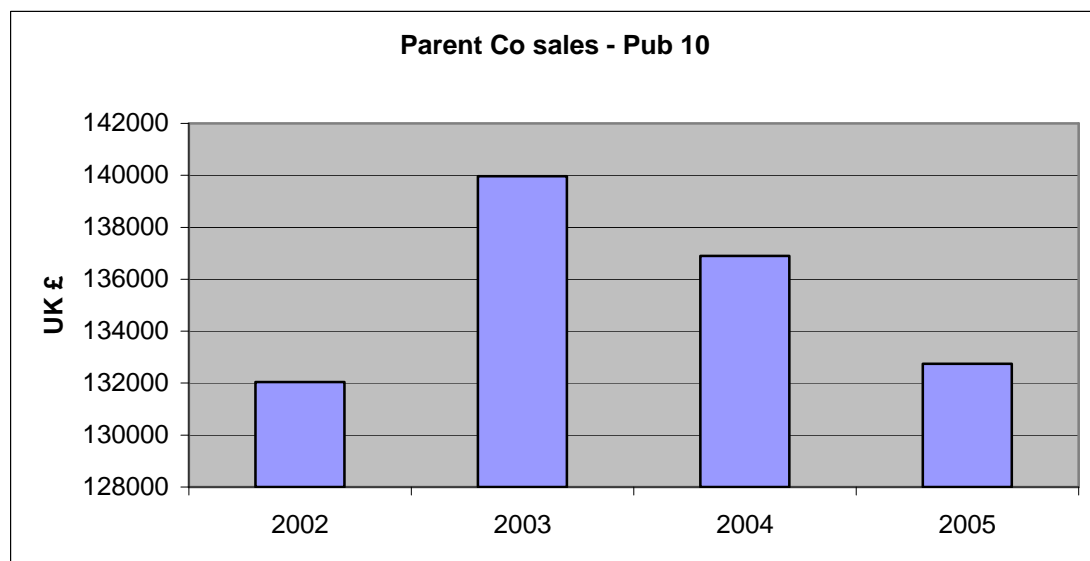
### ***Ethnographic observations***

Pub 10 consists of two buildings linked by a glazed walkway. The original pub is virtually unchanged over the years although it now has an area set aside as a cellar for cask beer. Original tiles floors in the lower bar are a pleasant feature. The glazed link houses the toilets and a pizza bar. The

right-hand building of the two is a converted net store and houses the large catering kitchen and a dedicated dinning area on the first floor. The Parent Co leases a strip of land behind the sea wall that is used as a trade (pub) garden. The style of operation is very seasonal with a significant increase in trade during the summer months and at bank holidays. The local trade is a mixture of fishermen, boating types and individuals who enjoy the unique atmosphere that Pub 10 offers. Lively music nights at weekends, and fish and chips in the paper remain a great attraction. The fixtures and fittings are absolutely in keeping with the surroundings. The building was subject to a recent £20,000 investment by the Parent Co to extend the trade area. The owner/managers have been at Pub 10 for 7 years and have been relatively successful. They work hard and are continually providing ideas to keep the business fresh. Not wholly popular locally, they operate a difficult and fragmented business well. They employ 11 full-time staff in the winter months this doubles to 22 in the summer. They manage the business through two managers – front-of-house and chef and operate a number of contemporary management techniques to attract, retain and motivate their staff.

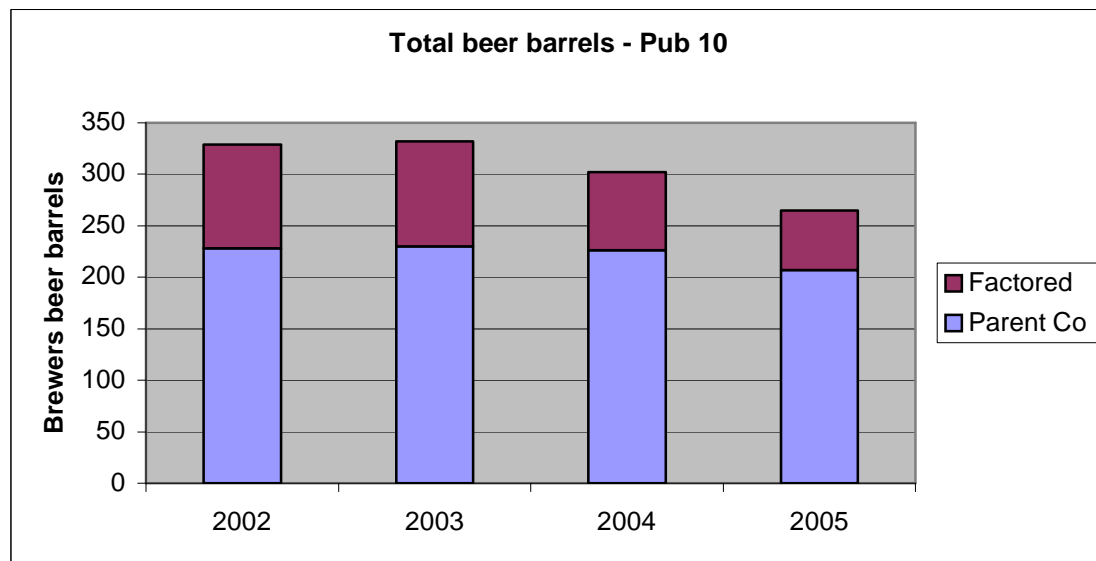
### ***Value to the Parent Co***

**Figure 7.5 - Parent Co sales to pub 10**



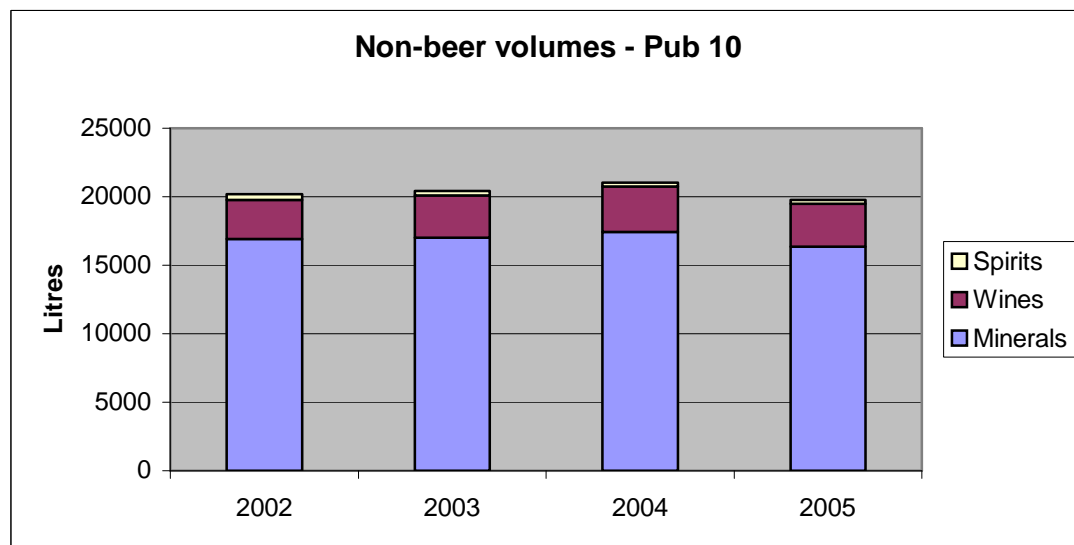
This business has proved to be more volatile over the period in question and relates in part to the trade that this business can generate through the summer months. The 2003 result demonstrates the effect of the warm summer that year, and somewhat distorts the data for the overall period. The business has, however, continued to grow food sales that will be reflected in the rental income, as the Parent Co takes no direct income from this revenue stream but does factor an agreed level of food sales into rental calculations.

**Figure 7.6 - Pub 10, total beer barrels**



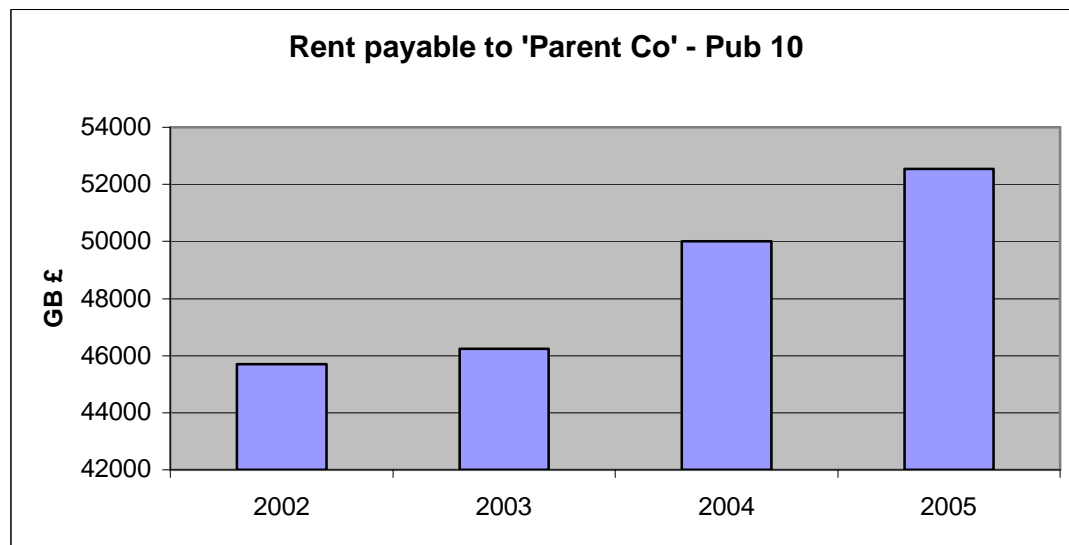
Consistent with earlier comments about the weather conditions in 2002 and 2003 compared to the later two years, beer volumes have proved difficult to maintain for this business. They do, however, remain at respectable levels for a business of this type.

**Figure 7.7 - Pub 10, non-beer volumes**



Non-beer volumes have been maintained at consistent levels during the period and reflect the focus of the business upon its food offer. This has been a conscious effort on the part of the owner/managers to offset the volatility associated with beer sales in this particular location.

**Figure 7.8 - pub 10, rent payable to Parent Co**



Rental income for the Parent Co has continued to increase throughout the period in question and is a reflection of other income streams, particularly, food, continuing to move forward. The total revenue value generated by this business to the Parent Co during the four-year period in question was £736,000.

### ***Attitude to risk***

The owner/managers of this particular business wanted to conduct the interview jointly and see themselves very much as an interchangeable team as well as being husband and wife. They considered risk at several levels, and the tenancy system is viewed as a mechanism through which risk can be defrayed for them.

*'See a tenancy is perfect because you go in as a partnership with whoever it is they have got the property for you and you've got the knowledge to run the business. It's actually an ideal situation'. CF & KF, Pub 10.*

Characteristic of their approach, they assessed risk from several different perspectives and adjusted their business accordingly - this indeed may be a feature of business managers who manage more volatile businesses but was certainly related particularly to risk by these respondents.

*'Now, our approach here is that we treat every year as our first year. So therefore, like last year, we anticipated a poor year because of the economic climate. The weather wasn't showing any promise and we just sort of controlled the cost on that way. If the business came then it would have been a bonus and if we were being caught with our pants down, short of staff, whatever, well then we were just*

*going to have to pull our fingers out and get on with it'. CF & KF, Pub 10.*

In common with other owner/managers defined within this category their attitude to financial and other risk was relatively relaxed whilst acknowledging that they had much at stake.

*'I think it is very individual I mean from our personal point of view we put everything we had into this, everything, with everything to lose, but because we had no children to worry about we have always said "one way or another we will survive" because we have to'. CF & KF, Pub 10.*

As suggested earlier by these respondents, the tenancy system provides individuals with some element of protection, however, they do acknowledge that the control of risk falls within their own remit and that not becoming complacent about their business whilst considering the consequences if they do, is part of what keeps them moving forward.

*'I think the risk is that you have always got plenty to lose and I think you've got to be aware and don't become complacent'. CF & KF, Pub 10.*

Also in relation to risk these respondents raised the value of honesty in the particular context of being honest with themselves. This is a value that they had communicated within Project 1 and felt the need to reiterate in this context.

*'I think if you are not honest with yourself it's a little bit like a person who has got a business, and quite often you hear of many, many cases, especially in this industry, where people are drawing money off the top so they don't pay so much tax etc and things like that. How can you really have control of your business if you are not keeping good records and things like that? You just can't monitor properly and it's so important to be honest. CF & KF, Pub 10.*

## **Independence**

As with other respondents in this category, independence, particularly expressed through working for themselves, rates highly and is a demonstrable symbol of their own freedom.

*'Well when we first took our own business down in Somerset it wasn't long after starting that we said we'll never work for somebody else again'. CF & KF, Pub 10.*



This independence also brings to life the value of pride for these individuals. In the following quote they are discussing the partial repayment of loan to the Parent Co in their first year of operation whilst also communicating a level of enjoyment in the journey they are on. This could be motivated by the relative success they are enjoying, e.g. this appears to be a deeper intrinsic motivator based upon the values of pride and enjoyment communicated in Project 1. There seems to be a deeper communication here in the context of independence in that there was no absolute requirement for them to pay down 50% of their debt to the Parent Co in their first year.

*'We also paid off half the loan back to [Parent Co] in the process. Well it was that huge it had to be done there was no negotiation on that, but if you count that into the equation as well. The other thing is we worked 365 days and we had one evening off where we even got some friends to come and cover for us. We invited them up as it was mother's 60th birthday in London, we went to London didn't we, yeah just so we could have a Saturday night off and it was the only time we had in the first year. We wanted to be here every day to see how it worked because the thing is, at the end of the day, you have to come into this business knowing it's not a job, it is a way of life. CF & KF, Pub 10.*

In a less pronounced way than some other respondents, there was momentum, urgency and a discontent with the status quo within their responses in relation to developing their business.

*'Until the day we finally go and put the change in our pocket we will never be relaxed about it because that's the wrong way to be.'* CF & KF, Pub 10.

## **Innovation**

The introduction of new ideas into their business is considered important and is approached fundamentally through a scanning of the external environment and then in discussion with staff. An example of this is in relation to introducing non-alcoholic drinks specifically aimed at consumers who are undertaking an activity or are with children. In itself the idea is not earth shattering but some seven years ago when they first entered the business they believed it was a big move for them.

*'Sometimes there is a need because we have seen an area. For example, when we first came we used to just sell coffee and nothing else, and then we started looking around town and you see these people going in and having frothy hot chocolates, and we thought well why not? They come down here walking in the morning or in the afternoon, they don't all want our alcohol, if they have got kids with them, and someone is driving, so they will come in and I mean*

*sometimes we are running out of coffee cups, so now we do coffee, espresso, cappuccino, latte and three different sorts of hot chocolate, and it goes absolutely mad, and we stand there and we think "who's bloody idea was this?" we are doing ten in a row!' CF & KF, Pub 10.*

The quotation reflects their understanding that society and the market is changing and that their business needs to adapt and change to keep abreast of changes.

*'The other thing is that the client base changes as well. It's interesting. I see it more now because it's been made very much aware by friends of ours, who have visited us, like on a six-monthly/yearly basis and they have come back and they have actually noticed the different type of customers that we have had. You have to go with your market, you don't stay the same as people might go elsewhere, you've got to be flexible'. CF & KF, Pub 10.*

More typically they have communicated that they use traditional techniques such as brainstorming with staff and their time away from the business to generate ideas for change and development. In most cases, this involves discussing changes with their staff and gaining their approval, or not, as the case may be.

*'Brainstorming, we have magazines, television publications, going out, going away'. CF & KF, Pub 10.*

*'We came out with an idea for Mother's Day and then we sat down and discussed it and Mel said I'm a little bit worried about this because some people might want to just come in for this, that and the other. We had one of those ideas like for that day - a two-course and three-course price but what if someone just wants a bowl of soup and walks in, why should we penalise them? So I said, good idea and then we decided we'll scrap that idea and we'll use the same sort of style of menu, but we'll price things individually and we are going to have to think about the way we are going to put it on the till. So his input is just as important in fact it's more important because he's got to work it and he needs that security as well that at the end of the day it's his kitchen'. CF & KF, Pub 10.*

## **Pub 12 - Case study**

### ***Tenant biographical data***

Age range	46 - 55
Education	Secondary & apprenticeship
Length of time in licensed trade	4 yrs
Length of time with current Parent Co	4 yrs
Number of other pubs	0
Other work experience	British Telecom 33 years

### ***Values articulated as important within Project 1***

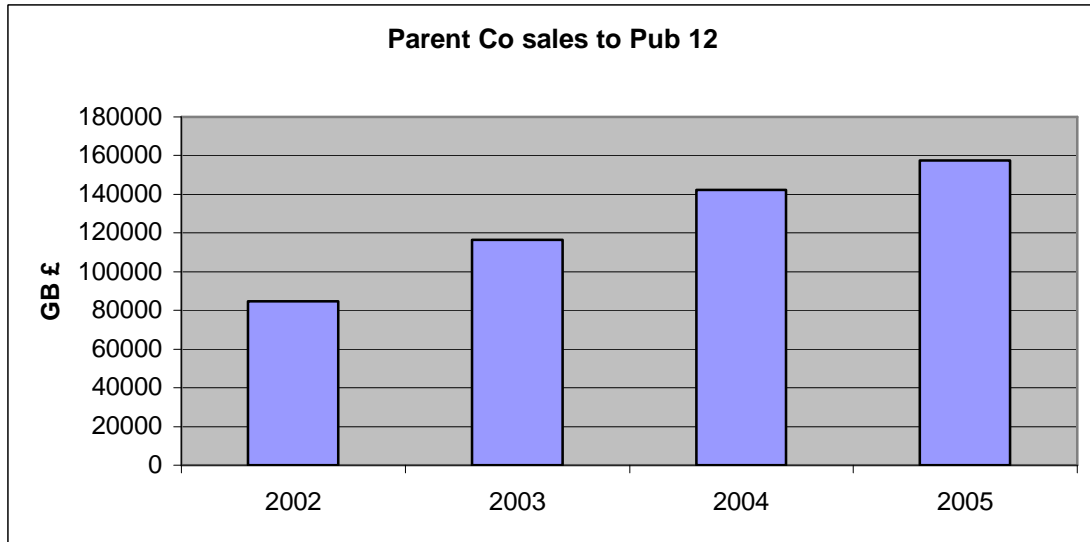
Challenge [responded as the most important personal value]  
Control  
Freedom  
Fun  
Pleasure

### ***Ethnographic observations***

A Grade II listed building, mainly painted pebbledash under a pantile roof. A more recent lean-to extension has been added, constructed of red brick under a slate roof. The bar area has been wrapped around the side and back of a large inglenook fireplace and the trade area is a large 'U' shape. The kitchen and cellar facilities are currently undergoing change, because previously they were barely adequate for the level of trade now being conducted from the site. Outside, there is a timber-clad barn that has recently been converted into three letting rooms. The trading operation is a real mix of attractions. Lunchtime and evening food is a great draw with local residents, business people and visitors to the garden centre opposite extensively using the pub. After 9pm the whole complexion of the pub changes with regular events such as quizzes and live music proving to be very popular. The fixtures and fittings are distinctive and the bar area is not totally in keeping with the surroundings. It is not, however, something that detracts significantly from the ambiance. The furniture is of good quality and thoroughly in keeping. There is, however, a collection of American aeroplane prints that take up the whole of one wall which seems out of context. The owner/managers are first time publicans who, on the surface, seem to lack personality. They are, however, very popular and by far the most successful people that the Parent Co has had operating the site. They operate to good standards and the improvements, they have made to the exterior of the property are also an attraction. In the past two years, there has been an investment of £206,000 made by the Parent Co to convert the barn to letting rooms, and a further £110,000 was spent in early 2006 to upgrade the kitchen and cellar facilities.

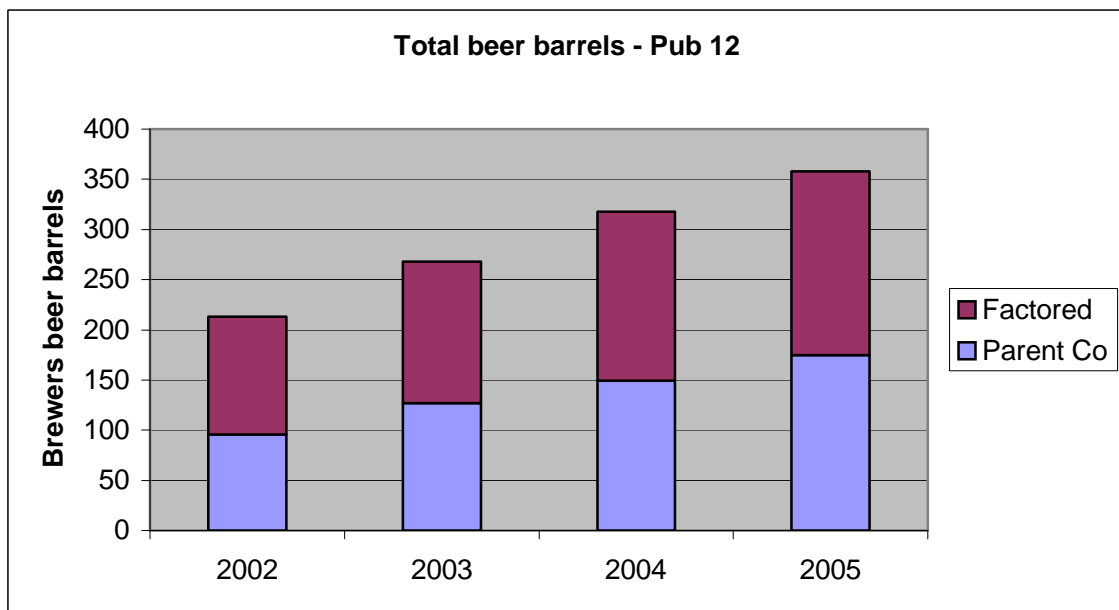
### ***Value to the Parent Co***

**Figure 7.9 - Parent Co sales to Pub 12**



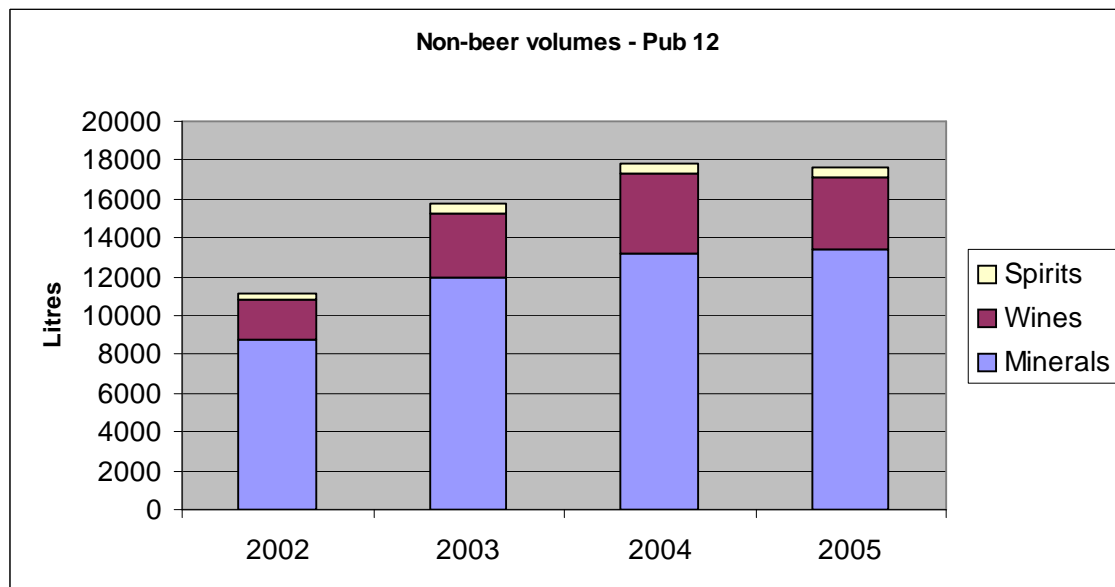
The owner/manager at the Pub 12 has consistently grown the business over the four-year period under review. In this period average annual growth equalled some 23%. It should, however, be acknowledged that this was from a relatively low base. Nonetheless, for a first-time licensee, this is a significant achievement in a market town where a considerable level of competition exists.

**Figure 7.10 - Pub 12, total beer barrels**



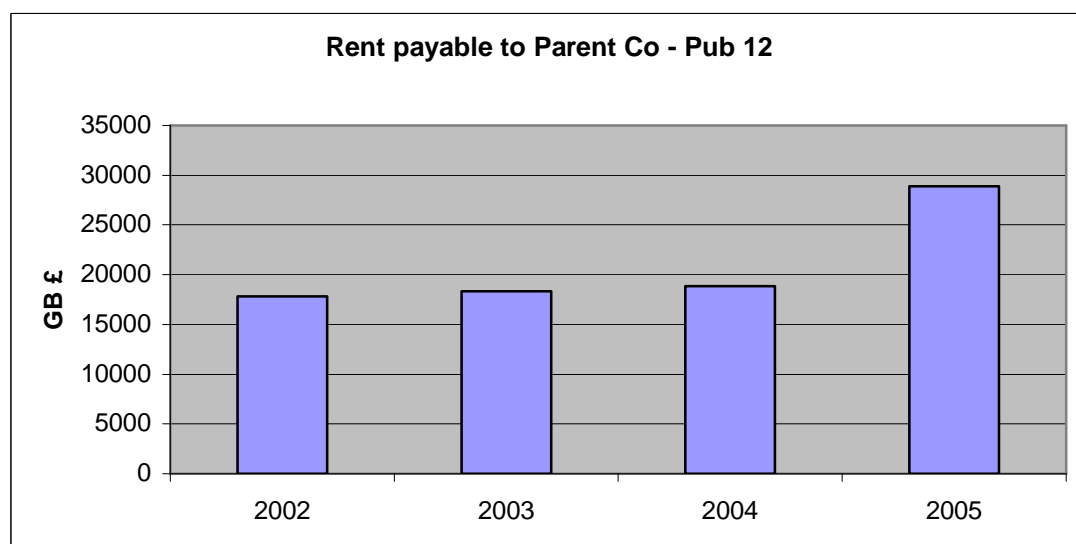
In conjunction with the significantly improved financial performance total beer volumes have also grown. The high ratio of Parent Co brands to factored brands represents the licensee's own interest in cask beer.

**Figure 7.11 - Pub 12, non-beer volumes**



Non-beer volumes have also grown significantly from a low base and again reflect a focus upon food within the outlet. Volumes fell slightly in 2005 but this is not felt to be material.

**Figure 7.12 - Pub 12, rent payable to Parent Co**



Rental values increased in 2005, representing the coming to an end of an initial three-year agreement and a move to a new rent based upon a significantly higher level of turnover. It should be noted that sales

turnover figures are exclusive of food and letting-room revenues. Over the four-year period within the study, this business generated revenues of £585,000 for the Parent Co.

### ***Attitude to risk***

The owner/manager of Pub 12 has an attitude to risk that is consistent with other respondents within the 'professionals' category. From his perspective, financial risk is seen as being relatively limited and this was a reason they chose to operate within the tenanted system.

*'Finally the decision really came down to cash and security. My wife and I have been married quite a long time and owned our own property for a long time, and had a family etc. We had worked pretty hard at those and built up a reasonable cash and financial security in the background. To throw that into a freehouse would have been very very risky having never been in the trade. Long leases - we probably would have considered but the advantage of the tenanted trade is there is really no financial risk to us coming into this, when we say no financial risk we weren't putting our financial health in jeopardy' GF, Pub 12.*

A common theme emerging from respondents in this category is their willingness to step back and view their businesses and inherent risks from a number of angles and perspectives. This is a characteristic which does separate them from others working within the tenanted pub system and enables them to bring new ideas into their businesses.

*'I think you have to in this sort of business - you've got to look at what you are doing and then stand back and look at it from several different angles, not just a blindfolded approach. I think it's very easy to look at a thing and just think you've seen it all. But looking at it from different angles then things can change.'* GF, Pub 12.

This approach to risk also covers areas of the business beyond the obvious financial elements. The implications of this are discussed in the following illustration.

*'It's important to be aware of what's going on in the day-to-day business it's also good to obviously give staff the responsibility of running the bar, doing the ordering occasionally, because at the end of the day if you're taken from the equation for a week or a few days you don't want the pub crashing to a halt. You don't want one person in full control. Then the moment that person goes, whether they are ill or decide to leave, the whole thing grinds to a halt. Yes that is a risk yes, you have to cover for all eventualities. That if I'm ill, if my wife is ill, a member of staff is ill, we know it impacts and we've got*

*this problem at the moment, and whatever you plan for invariably it will come in worse than you expected sometimes'. GF, Pub 12.*

### **Independence**

From the perspective of independence this owner/manager appeared more conservative than peers within the category. He certainly communicated that he scanned the external environment and factored this into his thinking with regard to the future and actions that may or may not be taken. He was, however, more reserved in communicating with 'big' statements about his independence. There was nonetheless an underlying urgency and momentum to his language.

*'I think you have to be very careful you don't sit still. Oh we're running a nice pub, we're doing this, we've achieved that, and the moment you sit back and start to soak up the glory, I think you lose sight and slip backwards'. GF, Pub 12.*

This individual was also different from others within the category in that he was able to articulate a more structured approach to his exit from the business. This may relate to a different perspective being brought from outside the industry or simply a different chronological and psychological life stage. Even with this different perspective, it is interesting to note, however, that timescales had moved and ambition for the business still existed.

*'The timescale when we first came here was very scary - we'd never been in this business before and we've never run a business like this before. We hoped we would last longer than six months we were fully aware that people were giving us three to six months'.*

*'I think by having timescales you give yourself some sort of order in life, you have to plan ahead. To suggest we would be here for another ten years I think we would probably become stale, too settled. To stay our duration, which would actually be another two years, would mean we would start to run down the operation here, we would be planning strategy x which is to exit. I think four years is looking forward for enough to implement the last major project that will happen at Pub 12 for a long time'. GF, Pub 12.*

### **Innovation**

This respondent considered innovation important and he communicated a relatively structured approach to the development and implementation of new ideas. In common with others he scanned the external environment for insight and developments that might be relevant to the business.

*'It's looking ahead, trying to see what is going to come in next year or what's going to happen the year after. It involves reading the papers properly, listening to people, listening to outside news and views and generally just trying to be ahead of the game. It is a deliberate policy and you have to be careful you don't ridicule new ideas and technology because before you know it they could be sweeping over us. That's the key thing'. GF, Pub 12.*

This individual also uses this technique at a more prosaic level in regard to current service delivery and standards. In the following example, this approach is being discussed in the context of service innovations that can come from listening to customers and staff.

*'Probably by listening to other people, overhearing comments, good or bad, about how the business is being run, and I suppose using the old term, keeping a telescope above the horizon'. GF, Pub 12.*

He also adopts structured thought processes in terms of convincing others about larger projects such as the building projects, one completed and one well underway, which are aimed at improving the infrastructure of the building and developing new revenue streams. The following illustration demonstrates the approach he adopts to convincing others - in this case the Parent Co to support a project.

*'I think before you waste your time going to anybody for support you've got to think that's a good idea, realise it's a good idea and then re-look at it and ask yourself why no one else has thought of it. Once you think it is a novel idea or new system or whatever, analyse how you would use it, what it would do, impact on your business, customers and people around you. If you feel you can roll with it then I think the key thing is you then need to carefully record, write, design or draw how, and why it's such a good idea. You know and why it will benefit the area, not just you but the area as well and once you've got that recorded you then need to ideally go to people and explain why you are taking your view to them. I think really you need also to make sure that you examine it for negatives/problems as well, and by then going to the organisation you have the bright side as well as the downside, which I believe is always important, because I think a lot of people instantly look at the downside. If they're not too smart they just come to the door with this great idea, and people shoot them down. It's a classic (yeah, have you experienced that personally do you think?) it's hard to remember. I know there tends to be something in this country where if somebody's rolling along too well, put a trip wire up when they least expect it'. GF, Pub 12.*



## **CASE STUDIES - 'THE POSITIVE TRADITIONALISTS'**

(Descriptor taken from Project 1)

'Positive Traditionalist' owner/managers adopt a more traditional approach to pub ownership and management. One of the larger categories, Group 3 are characterised by having a clear focus on the customer and being discerning about the individual they are targeting. They are also clear and more confident about the offer that they are providing to the market. They typically have a thorough understanding of the industry from the perspective of a tenanted pub owner/manager and they will traditionally be quite conservative regarding change. Their approach to staff management is traditional in nature and they do take a positive interest in the people that work for them. Leadership is likely to be taken seriously and they can have a propensity to see themselves as amongst the leaders within the pub industry.

### **Pub 27 - Case study**

#### ***Tenant biographical data***

Age range	55 - 65
Education	Grammar school, qualifications not provided
Length of time in licensed trade	20 yrs
Length of time with current Parent Co	10 yrs
Number of other pubs	2
Other work experience	Musician

#### ***Values articulated as important within Project 1***

Control  
Enjoyment [Responded as the most important personal value]  
Integrity  
Pride  
Security

#### ***Ethnographic observations***

A mid 19<sup>th</sup> century rendered brick building under a slate roof. It has a series of delightful inter connected areas on the lower floor with a dedicated non-smoking trade area with limited bar facility on the first floor. A substantial outdoor drinking area is situated to the rear of the pub.

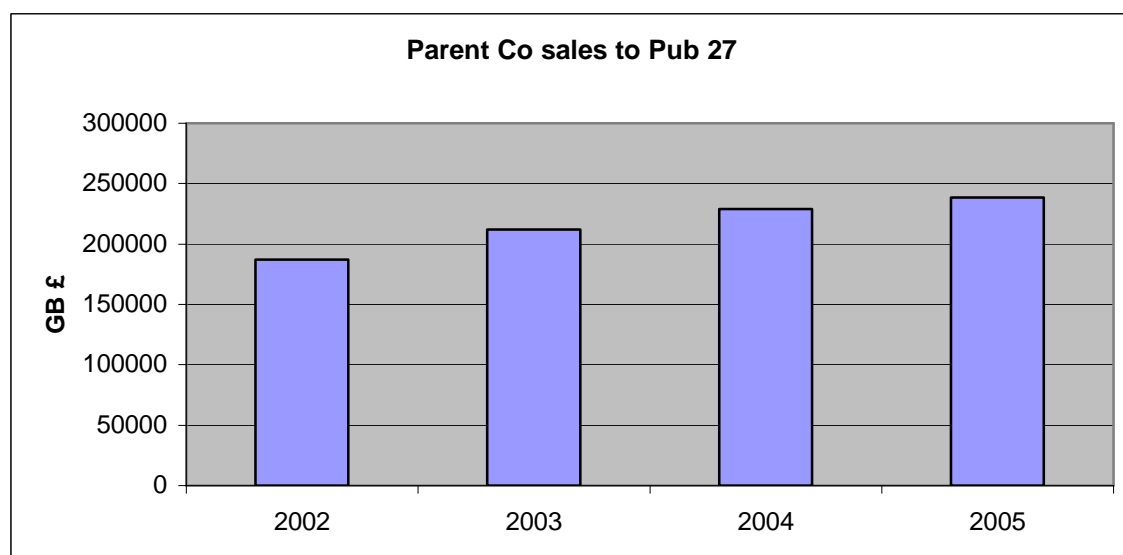
Cask beer dominates the bar counter with ten pumps offering a range of Parent Co and guest beers. Lunchtime food forms an important part of the

daytime business. The clientele is a cross section of local office workers, students and local residents. There are no gimmicks, just a welcoming atmosphere that starts behind the bar and spreads throughout the building. Fixtures and fittings are entirely in keeping with the building, and the tenant has added further items that do not detract in any way. A stickler for detail and ensuring that the ambiance of the pub is right at all times, the owner/manager is a very proud individual who believes his own future and that of the pub are intertwined. From the perspective of the Parent Co the owner/manager is viewed very favourably and seen as an exemplar.

Pub 27 is now a victim of its own success. The kitchen area is very small and cannot cater efficiently with the demand for food. An investment of £50,000 by the Parent Co was completed in 2006 to add a new boiler, new flooring, new signage and a new kitchen.

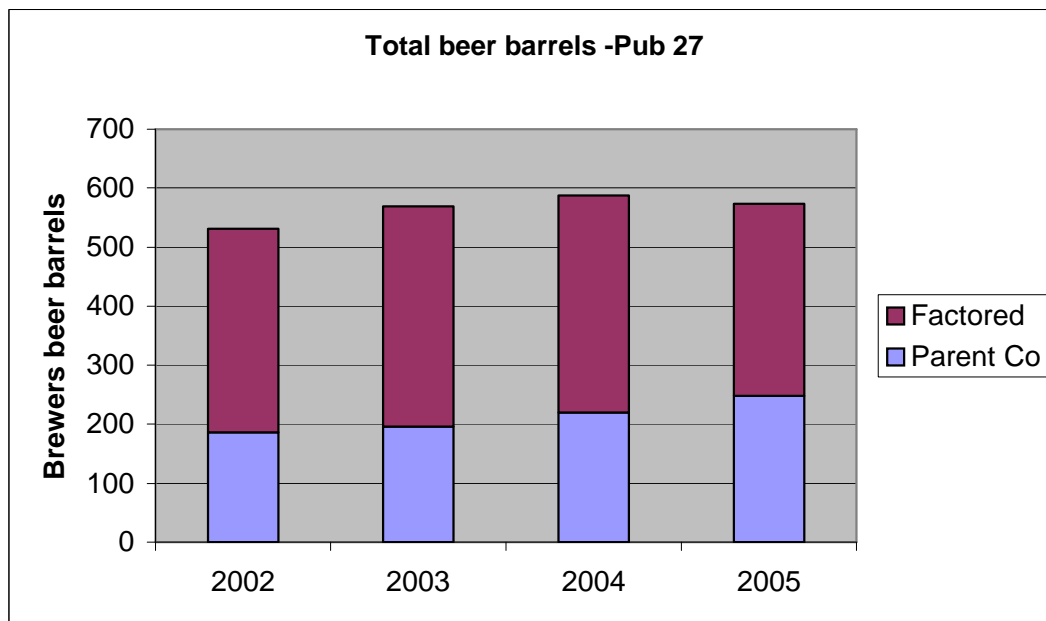
### ***Value to the Parent Co***

**Figure 7.13 - Parent Co sales to pub 27**



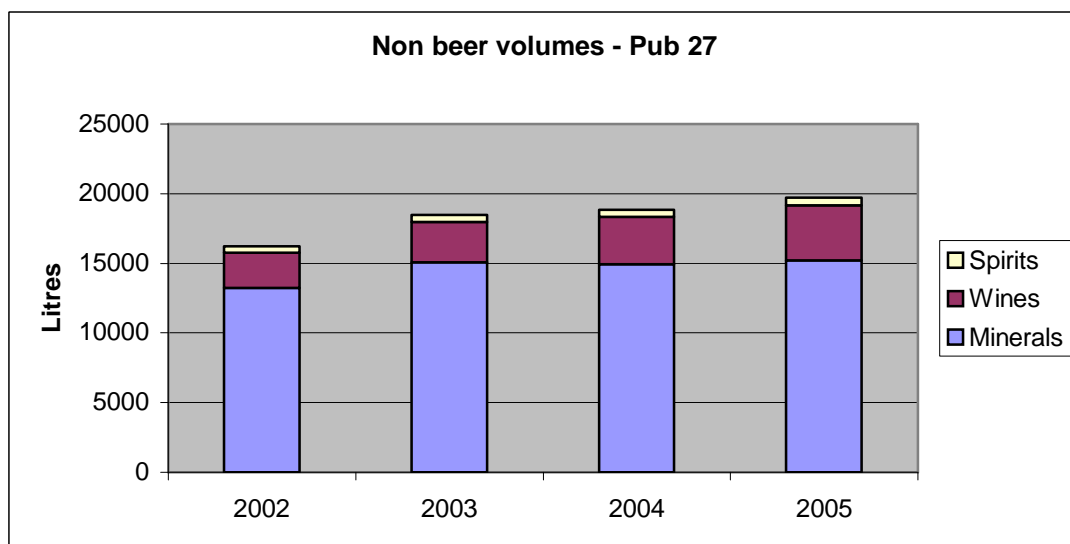
The owner/manager at Pub 27 has continued to grow turnover with the Parent Co over the past four years and has averaged growth over the period of in excess of 8% pa. This did slow significantly in the year 04/05 to just above 4% suggests that the pub could be trading close to its maximum in beer sales terms.

**Figure 7.14 - Pub 27, total beer barrels**



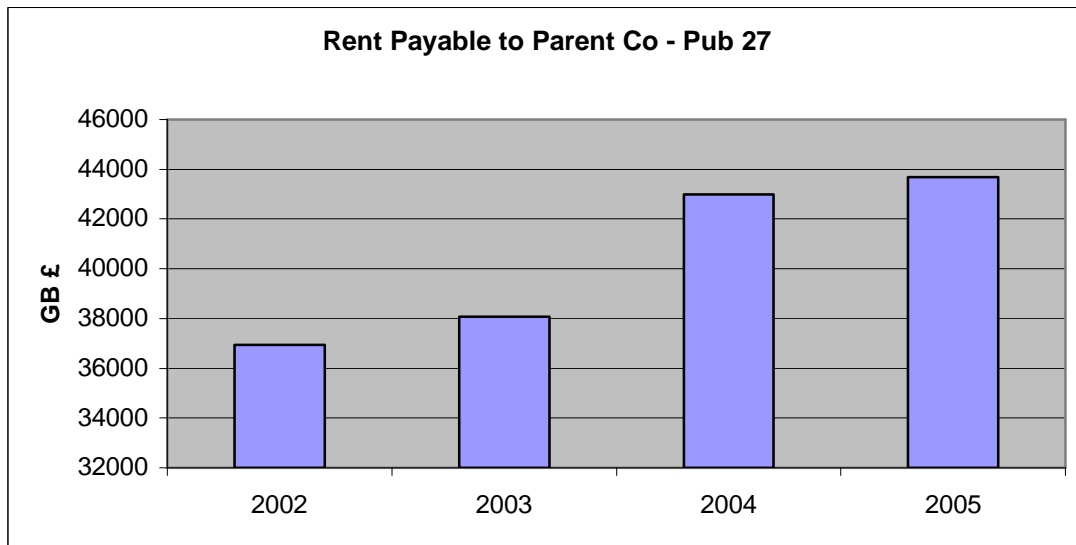
Beer volumes have remained relatively static and at a very high level over the period in question.

**Figure 7.15 - pub 27, non beer volumes**



Again non-beer volumes are relatively consistent with the slight growth indicating a move towards a more food-led establishment.

**Figure 7.16 - Pub 27, rent payable to Parent Co**



Rental values continue to move forward, based upon increased sales volumes and values. A new rental agreement was negotiated in 2003/2004 and subsequent increases reflect inflation. The total revenue value of this establishment to the Parent Co during the period in question was £1,029,000.

### ***Attitude to risk***

This owner/manager did have a somewhat different view of risk in that he related the financial risks he faces to having to work out his notice period within the tenancy system, and particularly related it to his own health. This may be a specific matter relating to this individual who had suffered a period when he was unable to work owing to an industrial accident. However, this individual communicates a more conservative view.

*'Financially there is a huge risk because you have to give a year's notice and if I fell on ill health or if Elaine fell on ill health, or if Matt fell on ill health. Financially you've got to keep the place going. My break-even figure here is phenomenal.'*

*I was forced into it [the industry] because I was a musician for 20 years and I had a terrible accident and we lost our house, I lost my business, I couldn't go out playing drums, I also had another retail business as well. I was hospitalised for such a long time I couldn't walk, had various operations and couldn't do anything for two years. And then we started to really go down the pan'. JH, Pub 27.*

This theme of relating risk in a manner beyond the obvious financial elements was continued throughout the discussion.

*'There is a risk with health because you can work yourself into the ground, which my Mrs often accuses me of doing, and you can also*

*be prone to working too much. Health risks I'd say I probably drink more than the average person.' JH, Pub 27..*

Similar to other respondents, a level of enjoyment of the financial challenge existed and this was discussed in a relaxed 'matter-of-fact' manner. The following extract is from a conversation regarding the risk to financial health posed by competition.

*'No it doesn't - when new publicans go in over the road, new buyers open up, new restaurants open up, new people go in up the road, new people go in down the corner, yes we're not going to lose anybody to them at the moment'. JH, Pub 27..*

These comments reflect the different owner/manager types identified in Project 1 representing, in this case, a more relaxed and more complacent attitude to external forces.

### **Independence**

Independence does rate highly on this respondent's agenda. His approach to achieving the independence he seeks is to work hard for it in a very traditional way.

*'I think the Barclay Brothers were selling to Brent Walker, and they were very, very hesitant about doing anything or letting me do anything so in the end we took a freehouse [name supplied] and made that fairly successful. It was a good pub. We made it from the worst pub in the village to the best for the seven years we were there but drove all other publicans away - that's the thing you know. Sort of somebody comes in and they challenge you and you sort of think yeah, come on then, come on then. Yeah we're open at five to twelve on a Sunday and you see them opening their doors at twelve o'clock and they're thinking - they are already open.' JH, Pub 27..*

This is a very competitive outlook but is the way that this individual expresses his approach to securing his independence and future security. His personal experiences seem to lead him to the conclusion that through working harder than the next person success will be achieved. This is reflected in the following commentary when discussing his longer-term goals.

*'I don't think there is one. I think the fact that I have got to do something to earn a living and I do this and I really enjoy it. I enjoy the challenge of doing new things, of getting this place right. And just doing it - I enjoy that. I enjoy the security of it for my family really. You know we help the boys out when need be, same as Matt helps us out. They're the main things I think'. JH, Pub 27..*

There is an approach grounded in the realities of his day-to-day working life and somewhat devoid of a more individual long-term plan.

## ***Innovation***

This individual, within pre-established boundaries, considers innovation important and looks to develop ideas for the business as illustrated below.

*'And it is a challenge every day - I get up and I think well what can I do, what can I do just to keep the place interesting without putting in fruit machines, without putting in pool tables and dart boards, quiz nights and all that'. JH, Pub 27..*

There was not evidence of the external environment being scanned to any large extent, although the Internet and books were mentioned as a resource particularly for developing menus.

*'Menu ideas I can get off the Internet, new ideas I get out of cookery books, I like cookery books'. JH, Pub 27..*

There was little evidence provided of encouraging and discussing ideas with staff.

## **Pub 26 - Case study**

### ***Tenant biographical data***

Age range	46 - 55
Education	Secondary Modern 'O' levels
Length of time in licensed trade	16 yrs
Length of time with current Parent Co	16 yrs
Number of other pubs:	4
Other work experience:	Fruit and vegetable trader

### ***Values articulated as important within Project 1***

Pride [responded as the most important personal value]

Enjoyment

Freedom

Integrity

### ***Ethnographic observations***

A late 19<sup>th</sup> century rendered brick building under a slate roof with a more modern extension to the rear. The Pub 26 has a large car park and useful grassed trade garden. Internally, there is a public bar and a lounge bar with four distinct seating areas on a variety of levels. The kitchen is about adequate for the style of operation.

A vibrant community pub with a well-established local trade. Local business people from nearby offices who eat good wholesome pub food

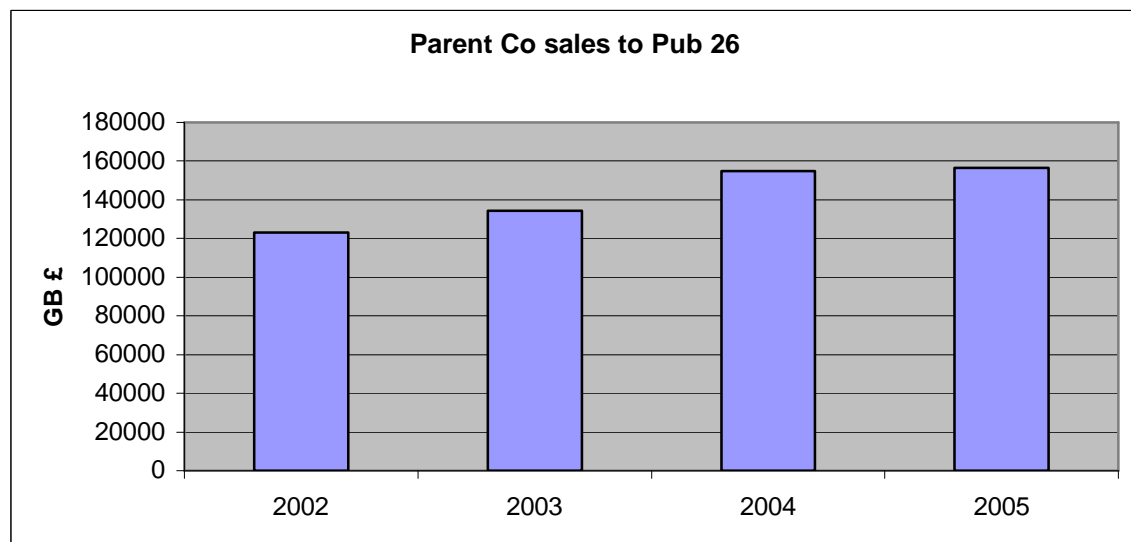
dominate the lunchtime trade. In the evening, the trade is predominately wet with a number of pub teams operating from the establishment. A local football team is sponsored and shares its name. There is also an active golf society at the pub.

The fixture and fittings are a mixture of contract and older furniture. A good number of high-back settles break up the trade area to good effect. The pub specialises in a good range of cask beers and this is reflected in general memorabilia that adorn the walls.

The owner/manager has worked with the Parent Co for a good number of years and operates to high standards, enjoys personal contact with customers and takes great pride in the quality of product he serves.

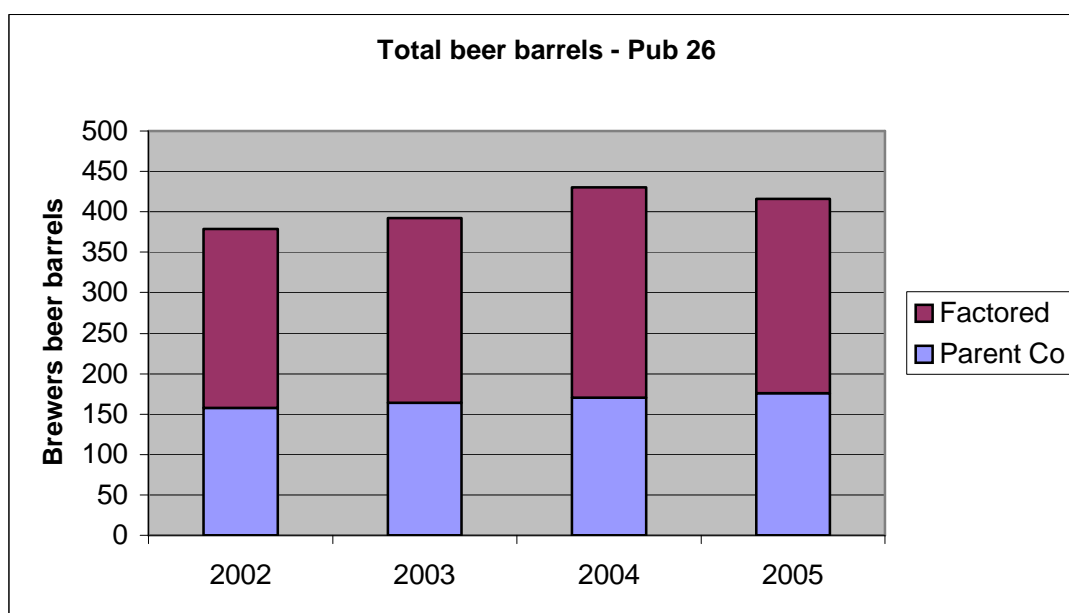
### ***Value to the Parent Co***

**Figure 7.17 - Parent Co sales to Pub 26**



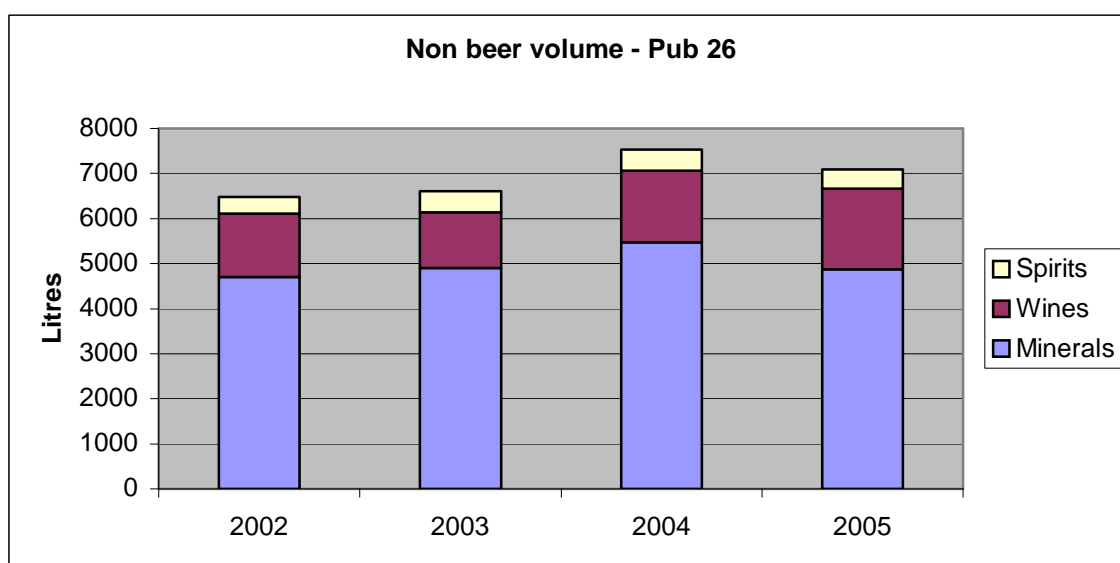
The owner/manager has continued to grow sales with the Parent Co over the period, averaging a growth rate of 8½%. Again this growth has slowed considerably in the final year in the study to just 1%. When adjusted for inflation, this represents a reversal over the previous year. In common with some other owner/managers, this individual is looking to reorientate his customer base, reflecting social change. This reduction reflects a shortfall in lager volumes illustrating this move.

**Figure 7.18 - Pub 26, total beer barrels**



Total beer volume reduced slightly in the year 2004/2005 and reflects a shortfall in lager volumes. The fall, however, is not considered material.

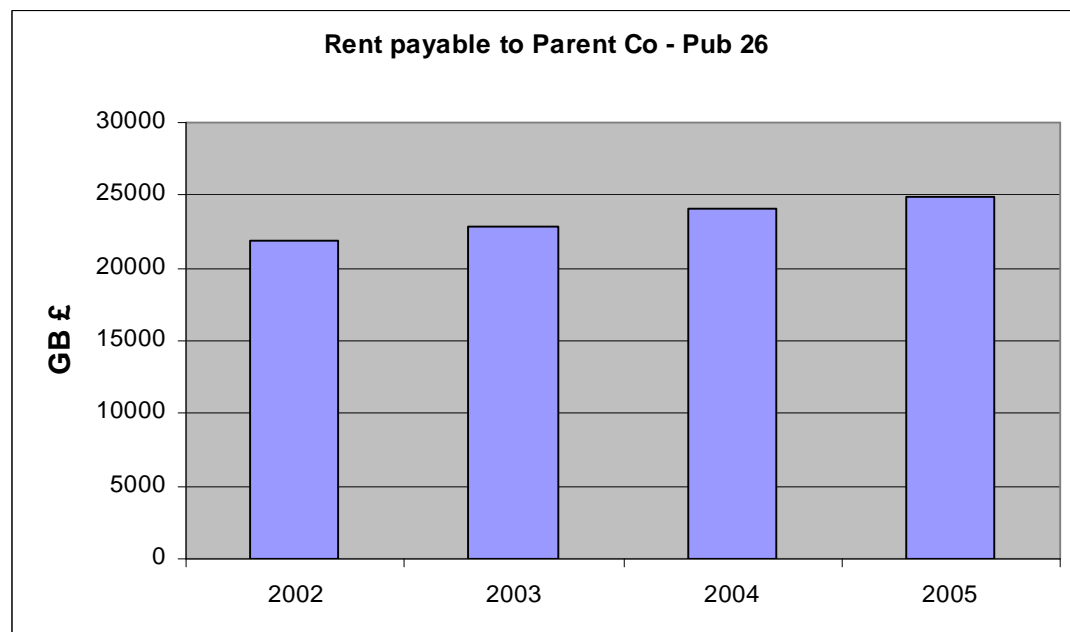
**Figure 7.19 - Pub 26, non-beer volume**



Non-beer volumes have remained relatively static although a slight shortfall in minerals and spirits volumes was experienced in 2005.



**Figure 7.20 - Pub 26, rent payable to Parent Co**



Rental values have continued to move forward in accordance with the tenancy agreement. The total revenue value of this site to the Parent Co over the four-year period is £662,000.

### ***Attitude to risk***

This respondent related risk to a previous employment situation where he saw his then business being threatened by competition from supermarkets and decided to leave and acquire a tenanted pub. The particularly interesting comments here are about risks identified in another sector and the comment around 'gut feel' as a means of motivation to move forward. In discussing risk, much of the conversation related to financial risk around the ownership of a tenanted pub against a freehouse. The amount of focus on this area suggests some regret on the part of this respondent.

*'I enjoyed it but I was getting fed up with so as risks, concerns you've got to know about your risks, you don't know what's round the corner nobody knows that but I think I always go with my gut feeling. I've always done that in life'. FV, Pub 26.*

In discussing why the particular route of owning and managing a tenanted pub was chosen, the influence of the individual's partner and willingness to accept a level of risk beyond what they were already exposed to was a factor. The communication and understanding between the two individuals seemed also to be a factor with the partner appearing to want to adopt a more conservative approach.

*'She wasn't prepared to sell the house just like that, so that was the risk, so without trying to upset her too much I said so. You know I'm*

*not a fool here where that's concerned as I say the risks concerned I didn't see and I couldn't get it over to her'. FV, Pub 26.*

With this individual risk was principally considered and related to the level of the business and past choices made. There was some evidence of relating risk to the external competitive environment but again this was largely related to the past.

*'If you could access my figures sort of 1990-92, late 92, I had some great figures out of the [name of pub supplied]. I am not being big-headed - they will never be surpassed again. I know things have changed since then, but you know we took it to some good heights then and when the first of the big pubs hit [location], You know Whetherspoons was the first one, and they took everything away from us overnight. FV, Pub 26.*

### **Independence**

Again, when discussing independence, this individual related initially to past experiences in his previous business and his decision to purchase a tenancy.

*'It was a totality, obviously I took my family away from all that they knew. I had a daughter of 11 and a boy of 4 so [name of partner] was wholeheartedly behind me so it was a case of uproot and go'. FV, Pub 26.*

In the above quote the respondent is discussing leaving his previous occupation and moving his young family to take over a tenanted pub in a place unknown to him in an industry where he had no previous experience.

When discussing independence in the context of his business an interesting dimension was introduced in that he did not want to develop his business in a way that would take him beyond areas of comfort. The following quote arises from a discussion regarding the move to a number of pubs becoming more food led rather than wet led. The respondent identifies this as a risk to his lifestyle and a reason for not pursuing a particular strategy.

*'I know my limitations - I'm all self taught so I could go into a kitchen with somebody a lot more skilled than me, and I could pick up a lot, but what I know is that if anything happened to him, he was to walk away, or she, and was ill, I'd have to follow that and all of a sudden my life style - having my two or three nights off a week - would suddenly become full hands on and would I be putting it out the same as them? No I wouldn't, not on a daily basis, so I do what works for me'. FV, Pub 26.*

The respondent did seem to have some loose plans around an exit from the business but this did not seem to be definite.

*'Yeah well touch wood, although I might be a stone overweight, I'm in good health so my plans, and I've said it I'm 50 this year. I would like to think that ten years would suit me. I always did say 55, but there again we've all got pension plans that have gone a bit haywire upwards and downwards so things have changed a little bit there. I'm not ready to stand in the background yet'. FV, Pub 26.*

### **Innovation**

Innovation was not considered in any structured way beyond what the individual would like to experience for himself. This is clearly a strategy that has worked for a number of years and one with which he is comfortable. There is some evidence, however, within the following illustration that some ideas are collected from the wider external environment and introduced into his business. There is some evidence that there is, however, a preset worldview.

*'Well I've always, like I said earlier, it's what I would want. Now I always see for myself... now when I go out into other places I'm not shy, I'm an optimistic and all that. It's just how I see it and how I would like it. Is there anything else like it around there? And listen to what the customers say. You know what do you do when you don't come in here? Where do you go? You've got to listen to what people really want, don't you?*

*'But I do listen to what people say and I look to see I'm not a spy or whatever - but when I go into another premises I look for ideas. I never go and look at prices, you know on the optics, the beer pumps whatever. That doesn't really interest me at all because I've already come from premises where I have set my stall out'. FV, Pub 26.*

## **Pub 13 - Case study**

### ***Tenant biographical data***

Age range	46 - 55
Education	BA English Literature, CertEd, Horticulture degree
Length of time in licensed trade	6 yrs
Length of time with current Parent Co	1.5 yrs
Number of other pubs	None owned, managed one other
Other work experience	Teaching and other hotel and leisure roles

### ***Values articulated as important within project 1***

Enjoyment [was unable to articulate one personal value as being more important than the other]  
Freedom

### ***Ethnographic observations***

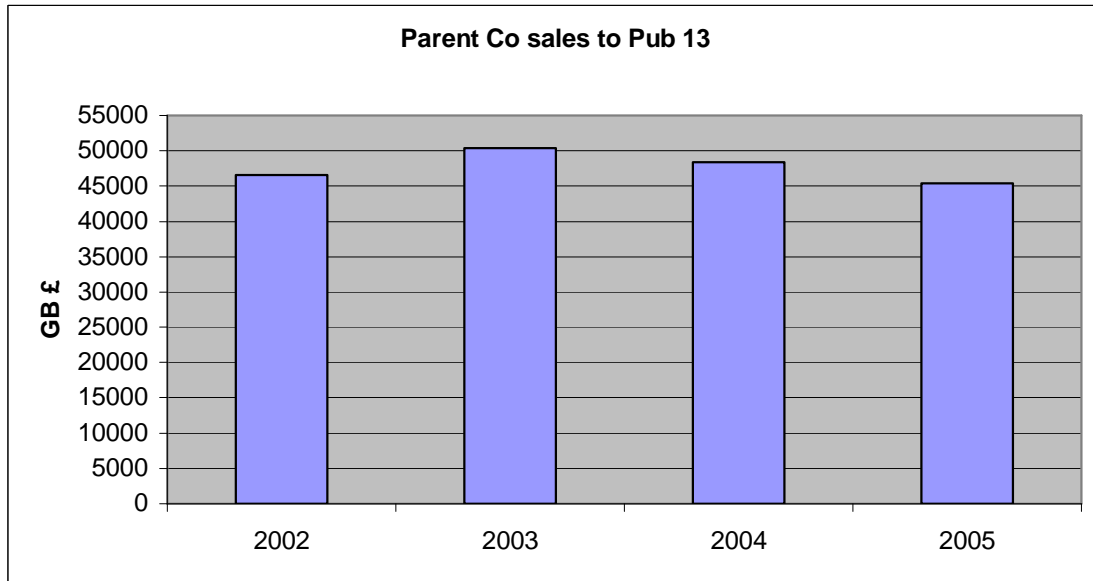
From the front, Pub 13 is a wonderful thatched building with neat slate roof extensions, from the rear a ramshackle collection of flat-roofed extensions. Pub 13 is situated in the heart of the village on a large grassed plot. There is an adjacent outbuilding that is in reasonable condition. Beer storage is problematical as there is no cellar. The kitchen is very small for a catering operation and the owner/manager struggles with this.

The pub doubles as a delightful village local and a mid-range food establishment. The food is of reasonable quality and is served in a separate dinning area. The bar is a rustic bare-boarded room which, although quaint and traditional, lacks character. Fixtures and fittings are generally disappointing and have been purchased by, and handed down through, a succession of tenants.

The owner/manager is new to the tenanted system and is working hard to build a local following and a reputation for food, introducing new menus and new standards of service. He is engaging with local people and attempting to put the pub at the centre of village life. In support of his food ambitions, a kitchen refurbishment had been agreed to, at the time of the interview, by the Parent Co and saw some £20,000 spent during 2006.

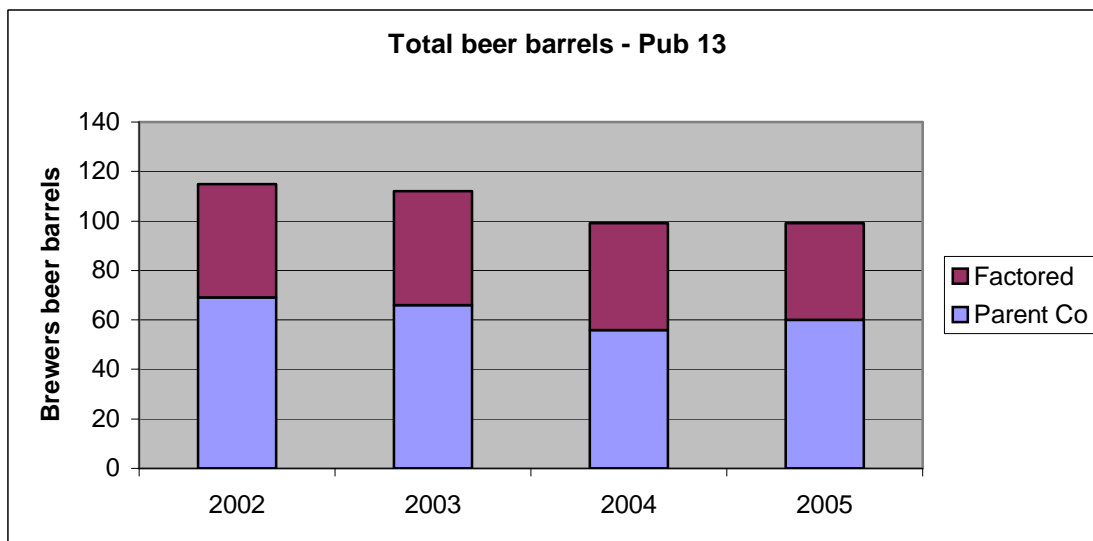
### ***Value to the Parent Co***

**Figure 7.21 - Parent Co sales to Pub 13**



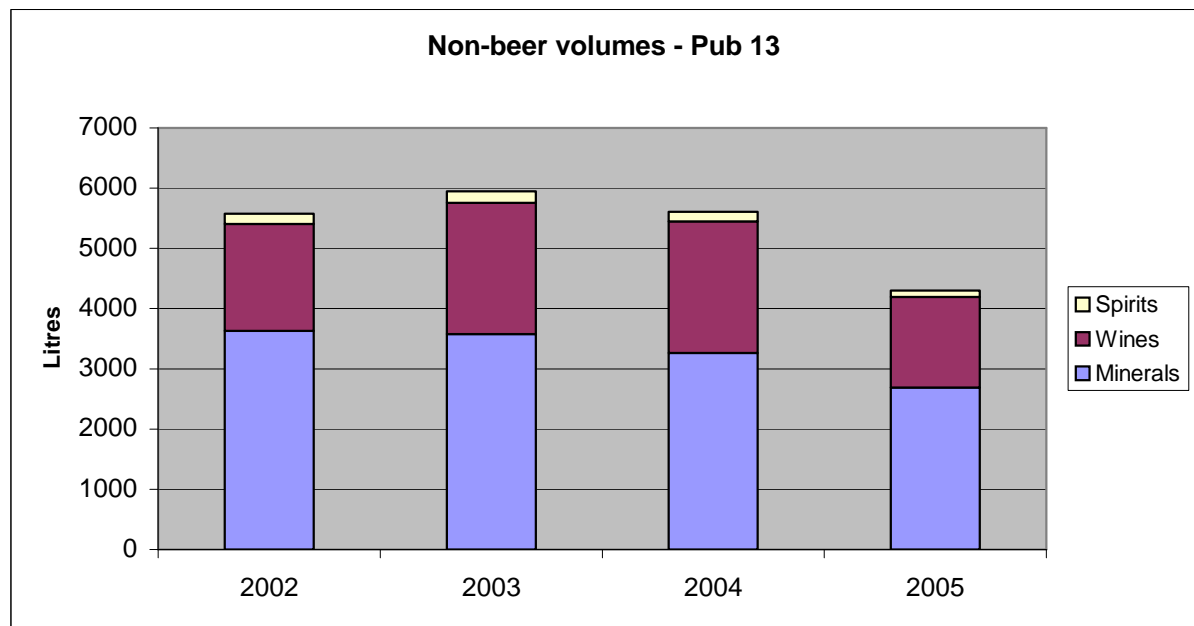
Turnover with the Parent Co over the four years in question have been quite erratic. This reflects a sales history that saw the previous owner/managers leave the business in early 2005 and the new owner/manager, who is a respondent within this study, assume responsibility.

**Figure 7.22 - Pub 13, total beer barrels**



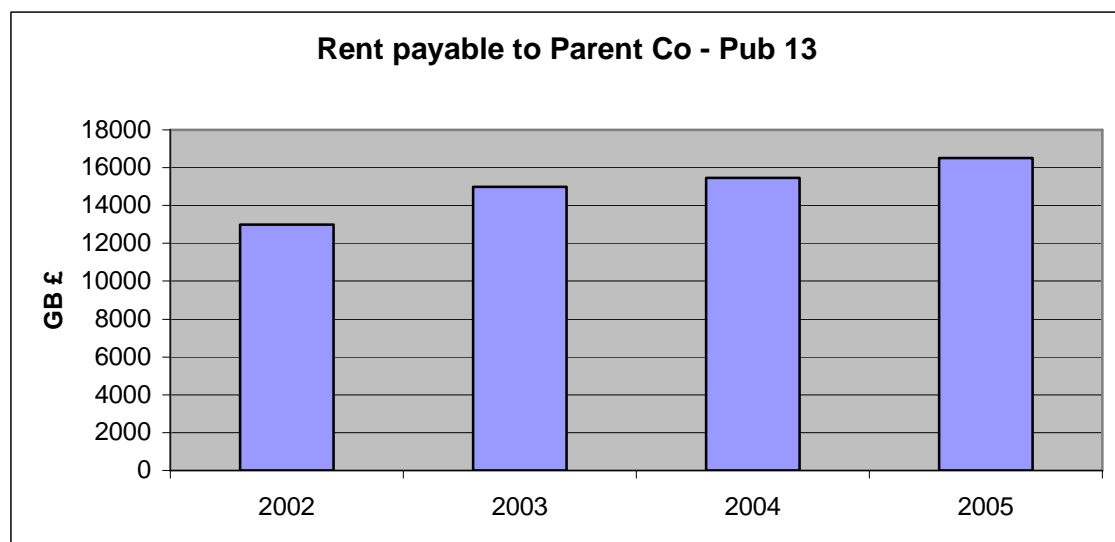
Beer sales at the site have been in slow decline over the period in question, are at low levels, and this is not helped by the business clear focus on food.

**Figure 7.23 - Pub 13, non-beer volumes**



As with total sales and beer volumes, the previous owner/mangers presided over a period of declining volumes.

**Figure 7.24 - Pub 13, rent payable to Parent Co**



Rental incomes have increased slowly and reflect poor wet trading and focus upon food in the previous years. Whilst in square footage terms the premises are comparable to other sites within this study, rental values are significantly lower. The total revenue value to the Parent Co of this site over the four-year period is £250,000.

### **Attitude to risk**

This individual is relatively new to the tenanted pub business and does communicate a very relaxed attitude towards financial risk as discussed in the following quotes.

*'So I don't mind spending money and investing as long as I know that there is a return on that in the long run. RR, Pub 13.*

*'No, but in order to venture you've got to be willing to lose it all. If you're worried about losing it then don't. You can't go into something 'shitting' yourself because you might lose what you've got. You've got to be confident enough to at least say - I'm spending all this money doing this, but you know you are risking it and you may lost all you've got'. RR, Pub 13.*

*'I don't have a problem with losing all my money, money I've got, but I certainly know how to do it. As long as I've got money to get things done I don't mind, you know in the long run I think it's what counts'. RR, Pub 13.*

When considering risk, this individual did seem to relate to external stimulus and used this to justify his own position with regard to his relaxed approach to financial risk.

*'One of the things I learnt there was that Alan Sugar had gone bankrupt a couple of times or something. His response to going bankrupt was well that's just feedback. You know and that's just one way of looking at it. You can't look at it as a negative. You've got to look at it and keep positive in your mind about what you are doing otherwise it's useless'. RR, Pub 13.*

When questioned around why the choice of a tenanted pub, limited access to capital was provided as the reason and this is illustrated below.

*'Because the amount of money I had to invest in a place limited my choices. I looked at buying a freehold, but I couldn't because of the mortgage, the mortgage is quite, escalating, I think it's just the same on the housing market possibly. I couldn't afford to do that and the amount of money that I had I couldn't get a loan or a mortgage to buy a place. That's just the realities of it. Leasehold's just same again, you tend to pay more for a lease and someone else's goodwill and the leases I had seen that were available were in places where I didn't want to work, and the ones you would like to have you're paying over the odds and there's no point. So, tenancy was the least painful option'. RR, Pub 13.*

## **Independence**

Independence rated high on the agenda of this individual and this related a basic level in respect of being answerable to others in a business situation. He communicated a strong motivation to personally try new things.

*'I don't like being told what to do. It's not that I don't want to be tied down, but I want to be able to go out and do different things and experience some new things. I've always done that, just from travelling and otherwise doing things. I want to try something new.'* RR, Pub 13.

The apparent relaxed attitude to financial risk did, however, belie a more prudent approach to cost within the business and, in particular, with regard to employing people. It should be noted here that this business is a much smaller and less well-developed business within the Parent Co portfolio. Nonetheless, the prudent approach is interesting when contrasted with statements that suggest an almost reckless approach to financial risk.

In this vein this owner/manager had taken the time and invested money in some external training that suggests he is likely to develop a different approach to that suggested in the opening statements.

*'I think the one good thing, as well as this DTI thing, is that I've got to sit and look at the hard-nose facts of the business which I probably would have done in a softer way over this time.'* RR, Pub 13.

## **Innovation**

The initial perspective on innovation was also interesting and related to the need for personal satisfaction.

*'To keep me from getting bored! If it's a place with traffic through it, it's ever changing you come to the same place every day and it will always feel new to somebody else, but the clientele here tends to be quite regular and, whether it's with the food or drinkers, so you've got to have things for them so that they want to keep coming back - keep it fresh.'* RR, Pub 13.

Again, as the interview progressed a more conservative attitude emerged and, in particular, this related to the style of pub that the individual wants to own and manage.

*'Well that's what this place is. No offence, the [name of pub], but I don't like the [name of pub] because it's had the tradition taken out*



*and been modernised, it's not the style I would want to go to. If we did that here it wouldn't fit, and when people come here they think traditional pub, they want traditional offerings'. RR, Pub 13.*

There was also limited evidence of discussing innovations with others and the importance of this. In particular, discussions with customers seemed to have allayed fears about the impending smoking ban.

*'Talking to people as well, that generally helps. Until you see something you can't really realise how to do more trade from it, but it needs to be done to keep it thriving'. RR, Pub 13.*

*'I think with the loss of smoking I think that (does that worry you?) not now, it did three months ago, I was quite worried about it but I have sort of talked to people about it and most of these that come in here would give up smoking in here if it came in'. RR, Pub 13.*

## **CROSS CASE ANALYSIS**

This chapter develops the individual core studies and compares them within category and across categories under investigation. A summary for each respondent is developed from individual responses under each of the core themes arising from the literature. The data is distilled from the broad case studies and semi-structured interviews and was analysed using multiple iterations within Nvivo and followed the same process as adopted in Project 1. This forms Appendix 9.

## **'PROFESSIONALS'**

### **Pub 9, summary**

This individual adopts an autonomous worldview. His responses suggest that he is in control of events and challenging himself to do more. There is urgency in his dialogue and behaviour, and this supports a level of discontent with the current situation, almost whatever that current situation might be, illustrated by the following comment.

*'It's the pain or the challenge or the adrenalin or it's making a difference. I could become flat and slothful or drunk and disorderly or it's almost like purpose. I need a purpose. And you know just to live and feed yourself is not enough, in that there needs to be even greater than family for me, you know I'm coming to the conclusion that even the family is kind of, with respect, not enough'. TY, Pub 9.*

This individual owns and manages a very successful operation, has implemented a high number of contemporary management techniques and brings his stated values of care, freedom, pride and to a lesser extent satisfaction to life in his business.

In respect of entrepreneurial traits emerging from the literature, the data was inconclusive in that the individual saw these aspects of his character as 'common sense' or good practice. His attitude to risk was relaxed and he exuded self-confidence in this area and seemed to be working at a level where deeper motives were influencing him. During the interview he became most animated when discussing the urgency for things to be done. This entrepreneurial individual is significantly marked by his desire for satisfaction and urgency to achieve things. It is notable that he operates in this way without wishing to commit to longer-term end goals. This is an interesting phenomenon in that working with instrumental values (Rokeach, 1973) such as care, freedom and pride, the individual is able to deploy considerable energy and enthusiasm in translating these values into business activities and outcomes that deliver perceived business advantage, as suggested by Davidson (2002). Where the value of satisfaction links to more of an end-state or terminal perspective (Rokeach, 1973) such as what are the ultimate goals for the individual. This becomes considerably more difficult to articulate. In terms of the harder measures of performance this owner/manager has achieved consistent sales growth with the Parent Co averaging over 6% pa over the period. Total beer barrelage has fallen during the period under review, and reflects the owner/manager's attempt to reorientate his business towards family dining. Non-beer volumes have remained at consistently high levels throughout the four years and rental values have continued to move forward for the Parent Co in accordance with the long-term agreement in place. The owner/manager operates a valuable business both from the perspective of the Parent Co and the owner himself.

### ***Attitude to risk***

In terms of financial risk this individual respondent believed little or no risk to exist within the tenanted business model. He related the risk to the business to his own behaviour and this is illustrated in the following extract.

*'I'm the biggest risk, I loose interest, I decide to bugger off for six months; you get bored and start driving fast cars or wasting money and resources, so I would say I'm the biggest risk. TY, Pub 9.*

This approach belies a requirement for this individual to keep earning his keep, to keep a sense of momentum around the business and the number of projects he is involved with. The greatest risk with this individual is encapsulated in the quote above and that is the risk of boredom. Within his business this individual is happy to take calculated risks. Self-confidence and experience underwrite these risks and this is why he communicates that his business is low risk. Others would not see things this way.

## **Independence**

Independence is viewed as being achieved for this individual through this innate sense of momentum and dynamism. Consistent with the category, this individual is absolutely discontented with the status quo and is constantly looking to push the boundaries for himself, his family and the Parent Co. A driven individual, he values his independence and uses this to sustain his requirement for continuous movement.

## **Innovation**

As an innovator, this individual gets his stimulus from the external environment. He recognises societal change as a driver of trends in his industry. He does not, however, view the innovations he introduces as anything other than common sense.

## **Personal values**

This respondent identified caring, freedom, satisfaction and pride as personal values that were fulfilled by owning and managing a tenanted pub. When questioned regarding a ranking or importance, care was instantly identified as being the most important.

## **Pub 10, summary**

These respondents expressed an autonomous worldview and were proud of symbols of freedom such as being able to pay down loans to the Parent Co over a short timescale. They demonstrated that they were in control of, and had ownership of, events surrounding their business and were confident about bringing ideas from the outside world.

They demonstrate total commitment to their business and obviously enjoy working with staff that supports them well. There seems to be a high level of mutual respect in their relationships.

*'This place comes first so you know we are not, I mean we had a situation a couple of years ago when we had planned to go on holiday and just before we went, the day I had the bags packed we thought we were unpacking not to go because something had gone wrong here and there was no staff. Our managers worked it for us and we went, but we were not prepared to say "Oh stuff it, I'm going, this is my holiday." we said "No, if we can't go we can't go." CF & KF, Pub 10.*

Personal values were introduced into the interviews and it was apparent that these were driving business behaviours. In common with the previous respondent, again these values were talked of in instrumental terms - how, when deployed, they influence the business. They were unable or unwilling (unlikely given their candour during other parts of the interview)

to articulate end goals as discussed in the following quote that reflected their plans when they first arrived in the business but have since changed.

*'We are going to give it five years and we'll look at ourselves, our health and everything. Then the five years came long and before you knew it we are into six years, and we thought well, we are OK and 'touch wood' we have got a good team here, so it's comfortable and you know we have got the time now to talk to you, you see? So that's how it is'. CF & KF, Pub 10.*

In respect of harder measures of performance Parent Co sales to this establishment have been slightly volatile, and the volume of beer barrels sold has fallen over the period. This is reflected in part, according to the owner/manager, to the spectacular weather enjoyed during the summer of 2003. This pub occupies a prime harbour-side location, and their attempts to move the business further towards a food-led operation will have affected beer sales. This strategy is supported within the numerical data in that non-beer volumes have remained consistent and rental growth has continued, based upon wet sales plus an estimate of food volumes.

### ***Attitude to risk***

Risk was viewed as being present but not significant. The owner/managers look to balance risk through the adoption of zero-based budgeting and treating each year as though it were their first in the business. A tenanted pub was chosen as it represented an entry opportunity into owning their own business without exposing themselves to significant borrowings. The owners have developed a management team and this enables them to defray some of the risks associated with their own health and well-being. Working through a management team affords them the time and scope to stand back from the business and adopt a more detached view of the risks and potential threats the business faces. They absolutely believe that their greatest risk comes from not being honest with themselves around their capability, their staff and the way they operate the business, and they state this broad definition of honesty as the deep lying value that underpins all that they do.

### ***Independence***

Independence is valued a great deal by these respondents, and they would never see themselves working for anybody else. Their route to maintaining and improving their independence is to sustain a momentum around what they do and how they develop their business, introducing new ideas, developing their managers and the like. They relate business success as contributing and securing their independence. This is sharply illustrated in their approach to borrowing money and their overriding need to repay the debt over the shortest possible timescale.

## ***Innovation***

This almost exclusively comes from the outside world. The respondents are extremely open to change, and there is evidence that they will go in search of new ideas and will discuss these with staff to ensure robust decision-making. Innovation is seen not only as their domain, and staff will be encouraged to input ideas for change, and these will be warmly received and implemented. A sense of momentum is important because these respondents seek to develop and grow their business.

## ***Personal values***

The values communicated in Project 1 were care, enjoyment, honesty and pride. Of these values, honesty was communicated as being the most important and the respondents talked at some length about being honest with themselves, keeping their feet on the ground - honest with their staff in advising them how the business is doing, and making sure that they received honesty in return from their staff.

## **Pub 12, summary**

This owner/manager communicated a more structured and systematic approach to his business. It is interesting to note that, although slightly older than other respondents in the category, he is also new to the industry having spent most of his working life with British Telecom training as an engineer through a traditional apprenticeship. Unlike other owner/managers within the category he was also slightly more structured around his exit strategy, although it is interesting to note, this had moved from an original date.

There was much consistency with other respondents in that the external environment was viewed as the area to understand, decipher and look for innovations that will benefit the business. He was also consistent in listening to others as a means of feedback and development. Both the external environment and feedback from other individuals external to the business are viewed as a platform from which to initiate change.

This individual was also more conservative around big statements of independence but he has pursued the Parent Co with tenacity to invest significantly in his business to help develop new revenue streams. Freedom was, however, a stated value.

In common with others, the view of the tenancy system is that it is not particularly high risk and, in this particular case, was embarked upon consciously as a means to limit risks to family finances. Consistent with other owner/managers of this type, the whole business is viewed as a system with staff, service, product quality, ambiance and facilities all viewed as creating an experience for the customer. Clearly enjoying his

success, he is able to bring stated instrumental values of challenge, control, freedom, fun and pleasure to life throughout his business on a daily basis.

The owner/manager has managed to achieve consistent sales growth with the Parent Co and has established the pub as a principal venue in its busy market town location. This is consistent with sales growth - sales of beer have increased substantially. Non-beer volumes appear to have reached a plateau, based upon catering capacities being reached. Rental values for the Parent Co have moved forward significantly in the past year reflecting the move to a new agreement based upon the level of business being achieved.

### ***Attitude to risk***

This respondent communicated a more structured approach to managing his business and assessing risk. There was evidence within his responses to suggest he is able to stand back and adopt a more detached view and assess risk from different perspectives. This individual, as a means of limiting risk to family finances, specifically chose the tenanted business model and believes that he sets off other risks such as health and well-being through the involvement of staff in the management of the business.

### ***Independence***

This respondent proved to be an interesting individual who entered the industry later in life than some others, following a corporate career spanning some 30 years. Momentum described as 'not sitting still' was seen as the prime driver of independence although there was evidence, in the overall more structured approach to the management of his business, of some corporate disciplines being applied. This individual was also better able to articulate an exit strategy, although this was a moving situation.

### ***Innovation***

The structured approach, which is a theme running through this individual's responses, was present within his approach to innovation. He was able to communicate a very open-minded approach to change and new ideas and talked in strong terms about new ideas being 'put down' before they are given a chance. Innovations within his business came primarily from the external environment, the involvement of staff and from listening to feedback from customers.

### ***Personal values***

Within Project 1 this individual identified the following personal values as being fulfilled through owning his own business: pride, challenge, control, freedom, fun and pleasure. When asked to identify the most important

challenge was highlighted in the context of not sitting still and not becoming complacent.

## **'THE POSITIVE TRADITIONALISTS'**

### **Pub 27, summary**

Financial risk was considered more significant to this respondent, and the topic of risk was extended into areas beyond finance such as health and well-being, together with the recognition of occupational risks around alcohol use. This said, there was evidence to suggest a degree of enjoyment of the financial challenges that exist, and could be argued that an element of complacency exists around local competitive risks. A competitive disposition was communicated around independence, together with an element of pride in perceiving to be the best in the area. The respondent clearly believes his competitive advantage comes through working harder than the next person. Innovation was considered but within a preset worldview of the pub. There was little evidence to suggest that this individual considers the external environment to any large extent. The need for control, one of the important values communicated in Project 1, came through strongly when questioned about more long-term plans and forthcoming retirement. The respondent is approaching the traditional retirement age of 65 and may have already achieved his end-state in values terms.

*'Apart from that this is such a good pub and it's going so well and we know how to run it and I'm not going to let it go. I don't really want to move out'. JH, Pub 27.*

Parent Co sales to this business have continued to move forward consistently over the period in question, although there is some evidence of capacities being reached in terms of total beer barrels sold. Non-beer volumes continue to move forward and rental values have increased for the Parent Co based upon a new agreement reached in 2003/4.

### **Attitude to risk**

This respondent viewed the risks he was subjected to as large, and talked specifically about break-even points and a requirement to provide a year's notice to the Parent Co if he wanted to leave the business. He specifically discussed other forms of risk in the context of the conversation and related this to past experiences. He generally viewed the risks as internal to his business rather than external, and adopted a rather blasé approach to the competitive risks he may face.

## ***Independence***

As would be expected of independent business people, independence was rated highly, and this individual talked at some length about the competitive way in which he safeguards his independence. Further questions about risk, and specifically the threat of competition, came through in the discussion about independence. It was here that this respondent communicated that he believed hard work to be his route to independence and if he worked harder than the next person, be that a competitor pub in the village or someone else, he would secure his independence.

## ***Innovation***

Innovation was recognised by this respondent, and he sought to innovate regularly. This innovation was however within predetermined boundaries that supported his own lifestyle requirements from his role as an owner/manager of a tenanted pub.

## ***Personal values***

This respondent in project 1 identified the following personal values: control, enjoyment, integrity, pride and security. When asked to identify the most important of these values, enjoyment was confirmed.

## **Pub 26, summary**

Risk was identified as relating to significant business choices and decisions, for example, choosing to exit one sector and move into another, choosing to purchase a tenanted pub as opposed to a freehouse. There was no evidence of the current environment being perceived as presenting any risk whatsoever. There was an element of complacency communicated around this. The respondent also introduced the concept of 'gut feel' when evaluating courses of action. This is consistent with the literature and the tendency of entrepreneurs to evaluate risks in non-standard ways. Independence was again considered in the context of family and prior decisions. In the current business situation, independence was considered in terms of preserving a lifestyle. Innovation was considered within bounds and related specifically to the individual's own preferences. There was some evidence presented of listening to customers from the perspective of an already developed worldview.

Parent Co sales to this business have moved forward over the period in question but do suggest that something of a high point has been reached in the past two years. Beer volumes have remained more or less static over the period in question and there have been some attempts by the owner/manager to re-orientate the business during this time. Non-beer volumes are also stable and rental values have increased in accord with the tenancy agreement.



### ***Attitude to risk***

When discussing risks, this individual communicated a level of regret in that he had not taken more risks earlier in his career and purchased a freehouse. Arising from this discussion, it was evident that entry into the sector was provided through the tenanted system as this presented less risk and a lesser financial commitment. The respondent did identify other dimensions of risk and in particular communicated the relative risk aversion of his partner as a determining factor in his not pursuing certain courses of action. Competition was identified in loose terms, however, a relaxed approach was adopted based upon experience and self-confidence.

### ***Independence***

Independence was considered to be an imperative and this requirement supports an outlook on the world and the lifestyle being pursued. There was no evidence of significant ambition or drive, although financial independence was considered important.

### ***Innovation***

Innovation was recognised as being needed but this was within preset limits or as described by the individual owner/manager 'based upon what I would want'. There was some significant evidence of external stimulus, albeit from within the industry. There was not widespread evidence, indeed there was some contra evidence, of social change or consumer trends being used to influence business development.

### ***Personal values***

The following personal values were identified in Project 1: pride, enjoyment, freedom and integrity and, in this context, pride was highlighted as the most important.

### **Pub 13, summary**

This individual seemed to want to initially communicate with 'big' statements about his approach to business and, in particular, financial risk. As the interview progressed, a more conservative attitude emerged. This more conservative approach seemed to be justified, and was prompted by external stimulus such as a training course. In common with many others who choose to operate their own business within the tenanted system access to capital was cited as a reason for not pursuing other more entrepreneurial routes. This will undoubtedly be a contributing factor. In terms of independence, again, a 'big' initial statement to emphasise a point, then supported by a more conservative example of practice. Throughout the interview there was an apparent immaturity of approach that may relate to a degree of inexperience within the sector.

Independence did however rate high on the individual's agenda and there was evidence of learning taking place to help safeguard this. The approach to innovation was unremarkable in that it was based upon discussions with others, namely, customers. There was an interesting element of satisficing, however, as a driver and motivator for innovation.

This establishment is currently operating at a considerably lower level than other pubs within this study. The owner/manager was included, however, owing to characteristics he demonstrated in Project 1. Parent Co sales to this business have been relatively volatile over the period in question and reflect the performance of the previous owners. The current owner/manager joined in early 2005 and therefore it is difficult to draw anything of use from the performance data in this regard. The Parent Co expects to see improved performance based upon the owner/manager's business plan and positive disposition towards the business.

### ***Attitude to risk***

This respondent communicated initially in very confident terms about his approach to risk and willingness to lose all of his investment. This approach was somewhat tempered as the discussion progressed and a rather more conservative approach was uncovered. It also emerged that the tenanted pub model provided the respondent with a limited risk approach to owning his own business. Nonetheless this individual did communicate a more entrepreneurial approach to risk than others within the category.

### ***Independence***

This individual communicated an extreme dislike of being told what to do and a fiercely independent approach to life and the world of work. It is therefore unsurprising that this individual should now find himself owning and managing his own business.

### ***Innovation***

In terms of innovation, there was again a relatively conservative approach communicated and boundaries set around ideas. Again however, in a relatively less successful business than some others within the sample, innovations were driven out of the need to make more money, and this is where the respondent attributes his ideas as coming from and being driven by.

### ***Personal values***

This respondent was somewhat less articulate about the personal values fulfilled through the ownership and management of a tenanted pub; the values of enjoyment and freedom were identified. When asked to

distinguish one as more important he was reluctant and unable to make a distinction.

## **CONCLUSIONS**

The following tables highlight cross-case analysis conducted during the research and highlight a different focus and owner/manager perspective on the role of personal values by each category. This analysis gives rise to a revised emergent conceptual framework (figure 31). Figure 31 represents a picture that has developed as the research study has progressed. It takes as its start point, extreme left, seven core value words identified by owner/managers as being important to them. It then graphically seeks to illustrate how these 'values' are interpreted and operationalised through more conventional management domains and disciplines. This interpretation is different for the different categories of owner/manager and at this stage the framework begins to focus upon the 'most valuable' types - 'professionals' and 'positive traditionalists'. At this point, variances are identified in the values they communicate as being important with 'professionals' identifying instrumental values and 'positive traditionalists' communicating a stronger leaning towards terminal values (Rokeach, 1973). The framework then attempts to communicate the relationship between these important areas and the product and service offer of the outlet. This in turn is then related to the overall pub offer and performance. The framework assumes these as internal factors only, and accepts that there are many external factors that will also influence the performance of the outlet.

**Table 29 – Cross-case analysis**

Pub Type & Name → ↓ Core Themes	Professionals			Positive Traditionalists		
	Pub 9	Pub 10	Pub 12	Pub 27	Pub 26	Pub 13
Risk	<p>Relaxed approach. Seems to need risk to provide motivation.</p> <p>Enjoys 'adrenalin rush' from risky projects. Will change things ahead of consumer trends. Relates risk to self &amp; own behaviour.</p>	<p>Relatively relaxed approach to risk.</p> <p>Views the tenancy system as the perfect partnership. Use zero-based budgeting to 'hedge' risk. Committed everything to the venture.</p> <p>Relates risk to own behaviour particularly complacency.</p>	<p>Relaxed approach, viewing the tenancy as low risk option and a route to safeguarding family wealth. Takes a more structured view of risk.</p> <p>Prepared to stand back and adopt a more detached view. Develops staff as a means of limiting risk.</p>	<p>Sees a big risk to both financial and physical health in owning and managing a tenanted pub.</p> <p>Complacent approach to competitive risks.</p>	<p>Moved away from perceived more risky situation in another industry.</p> <p>Feels development has been hindered by risk-averse approach within the existing business and other opportunities.</p> <p>Looked back a great deal and communicated some regrets.</p>	<p>Initial bravado in comments regarding risk.</p> <p>This individual communicated that he was prepared to lose everything in the venture.</p> <p>A more conservative tone developed as the discussion progressed.</p>

Pub Type & Name → ↓ Core Themes	Professionals			Positive Traditionalists		
	Pub 9	Pub 10	Pub 12	Pub 27	Pub 26	Pub 13
Independence	<p>Work to use spare time effectively.</p> <p>Enjoys challenging self to earn independence.</p> <p>Wants to be free to implement change as he sees it.</p> <p>Translates independence into an ability to maintain and generate change. Does not have fixed exit timescales.</p>	<p>Committed to being independent and running their own business. Not prepared to work for others.</p> <p>Committed to not being in debt to others - keen to pay off loans, sees this as a symbol of independence and behind their need to earn it every day.</p> <p>Do not have a fixed exit timescale.</p>	<p>Committed to independence but less so than others. Personal behaviours and attitudes identified as important, particularly in regard to complacency.</p> <p>More structured approach to exit from the business, although timescales have moved.</p>	<p>Fiercely independent and very competitive in this context.</p> <p>Believes working harder than the competition will safeguard the future.</p> <p>Concept discussed at a grounded and tangible level.</p>	<p>Fiercely independent as this provides a lifestyle.</p> <p>Will not develop the business in a direction that might put this lifestyle at risk.</p>	<p>Fiercely independent, extreme dislike of being told what to do.</p> <p>Communicates a lack of trust of others but this may relate more to an ability to pay others at the current time.</p>

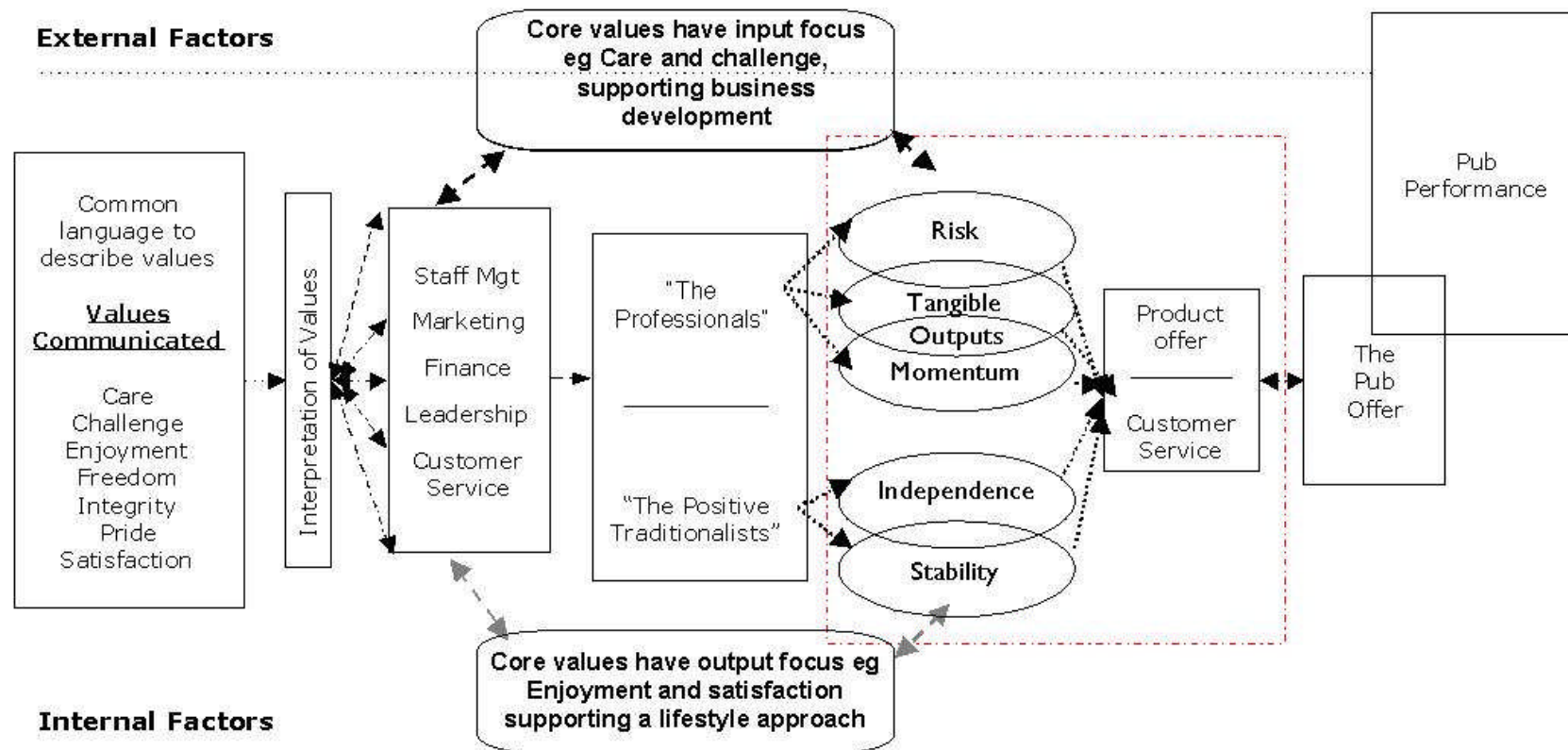
Pub Type & Name → ↓ Core Themes	Professionals			Positive Traditionalists		
	Pub 9	Pub 10	Pub 12	Pub 27	Pub 26	Pub 13
Innovation	<p>Has many ideas and implements them.</p> <p>Believes these are just common sense and his reading of the external environment.</p> <p>Receives much external stimulus.</p>	<p>Work with staff to generate and facilitate ideas.</p> <p>Prepared to be different in their approach. Use external stimulus in a planned way.</p> <p>Build flexibility into their systems and processes.</p>	<p>Relies on external stimulus and interprets this in the context of own business.</p> <p>Puts great store by listening to customers and adjusting systems based upon feedback.</p> <p>Great supporter of new ideas and innovation generally.</p>	<p>Only prepared to innovate within pre-established boundaries.</p> <p>Little evidence of external stimulus on discussing ideas with staff.</p>	<p>Bases innovation on own preferences. Therefore develops business with preset boundaries.</p> <p>Some evidence of listening to customers.</p>	<p>Innovation related to the need for personal satisfaction above all else.</p> <p>Innovation likely to be around preset boundaries and a traditional offering.</p>

**Table 30 - Emphasis of values by owner/managers**

Pub Type & Name → ↓ Core Themes	Professionals			Positive Traditionalists		
	Pub 9	Pub 10	Pub 12	Pub 27	Pub 26	Pub 13
Personal Values	Care Freedom Satisfaction Pride	Care Enjoyment Honesty Pride	Challenge Control Freedom Fun Pleasure	Control Enjoyment Integrity Pride Security	Pride Enjoyment Freedom Integrity	Enjoyment Freedom
	Most important values have an 'Instrumental' focus.			Most important values have a terminal or end-style focus.		

**Figure 7.25 - Revised emergent conceptual framework**

Note: 1. Dashed arrowheads imply a relationship not causality





## CHAPTER 10 - PROJECT 3

### RESULTS

#### Participant recognition and validation

The topic of recognition and validation is important in the context of this type of research which has as core component categories based upon a series of behaviours. It is recognised that these behaviours are only a snapshot of any individual and that there are a number of caveats that need to be observed in such situations. It is therefore considered useful, appropriate and valid, and is likely to improve credibility, if the categories and the characteristics that define the categories are recognised and validated by participants themselves.

*'For the sake of seeing it written down there in black and white you think my god yeh'. Pub 10a*

*'It's interesting - because there are bits of each of the categories you can see yourself in. You walk into pubs sometimes and you wish you hadn't, there's an awful atmosphere'. Pub 10b*

*'I can recognise some of the categories'. Pub 20*

*'I do recognise these people - I'll keep the names to myself'. Pub 26*

The concept was not, however, accepted without question, as would have been expected from people who own and manage their own businesses.

*'Yes to a point. I don't go out that much, well not to pubs. It's just that I can't be doing with it it's so awful. It's dangerous to put people into boxes, I recognise that we all do it, all the time and make judgements'. Pub 9*

#### Individual owner/manager engagement

The following table (figure 10.1) sets out in tabular form the number of interventions each individual owner/manager contributed during the workshop days and at what stage. The analysis is intended to provide an indication of the balance of involvement of individuals as opposed to providing an in-depth quantitative assessment. The data should be considered alongside the commentary provided by facilitators regarding the ease of engagement of individuals during the initial stages of each event. A full text can be found in Appendix 13.

**Figure 10.1 - numerical interventions**

AI Stage	Pub Number							Totals
	6	10	9	20	26	27	29	
Discover	3	11	16	9	7	7	9	62
Dream	1	2	17	4	1	7	5	37
Design	1	6	8	3	2	4	0	24
Deliver	1	4	6	2	3	2	1	19
Totals	6	23	47	18	13	20	15	

It is interesting to note that, across all participants the level of engagement, in the form of contribution to the discussion, was significantly more during the 'discover' and 'dream' phases of the AI intervention. As the workshops progressed through to designing and delivering solutions, there was a marked fall-off in the level of contribution to discussions by even the most prolific of contributors. It should be noted that this analysis says nothing of the quality of individual contributions.

### **Workshop outputs**

The following section begins to set out at high level the key themes emergent under each of the AI stages. These themes are evidenced by participant quotation following the analysis of workshop transcripts. The initial phase of this process is developing an understanding of the constructive aspects of any relationship or activity, creating a firm base and positive 'can do' feelings from which to build from amongst participants. This initial phase of this particular AI process is called 'discovery'.

## Discovery phase - understanding what is done well

'Discovery' Phase	Owner/Manager	Category
Core Themes	'Professionals'	'Positive traditionalists'
Overall attitude toward the Parent Co	Appreciate the Parent Co is changing and welcomes this.	Communicate a greater level of satisfaction with the Parent Co; seem to be proud to be associated.
'The brand'	Appreciate the brand. Look to capitalise upon shared values and brand proposition.	Appreciate the retained 'local' feel to the business. The brand is more 'touch and feel' for them.
'The Product'	Accepts product quality as a given. Relates product to the offer within own business.	Recognises and is proud of product quality from Parent Co.
'The service'	Expressed in terms of a changed management team with wider thought processes and ambition.	View Parent Co more as an elder sibling - as someone or something that helps them out when difficulties arise.

This summary is underpinned by the following comments from participants.

### Overall attitude toward the Parent Co- professionals

*'Because originally Parent Co was just like a regional brewery and sold to the region. Obviously being a family concern, it's like you didn't go much further than the boundaries, but then you started on that advertising campaign [company name given] which I thought was a brilliant idea, then you started going out a lot more and moved out completely because we also notice there are more people - the team is changing inside, viewed from outside you can see the whole thing growing'. Pub 9*

*'I think it is all positive because you are not relying on a certain area'. Pub 10a*

### Overall attitude towards the Parent Co- positive traditionalists

*'Not that I've had to, but it is nice to know that if I want to speak to you I can phone you or anybody like [name supplied], anybody*

*straight away, without going up through the chain which is nice and it is a first-name set-up'. Pub 26*

*'Well people take pride because it's a local company and they want actually for you to succeed as well'. Pub 29*

### **'The brand' - professionals**

*'Well everything looks good, look at your advertising up here, everything smart and eye catching, it's not tacky, it can be big and loud and colourful, but it's not tacky'. Pub 10b*

*'It's like the values of our business and we try to pass it on to others so we are singing the same tune. But we are there for one reason, you know, the challenge of the business'. Pub 10a*

### **'The brand' - positive traditionalists**

*'A strong brand is the sort of thing you don't find and you will always have the local press and people interested - they come and ask you about the things like [name of product given] even though we haven't got it ourselves at the moment but you do that well, by and large, in the local eye'. Pub 29*

*'I'm the only Parent Co pub in [A Town]. Local pubs don't have Parent Co beers so people come in and see all the real ales we have on and all the guest beers and notice we have four Parent Co beers, three different Taylor's beers and think it's wonderful you know. They come to me and say - my pub is the sort of pub that probably like other people's pubs here, when friends come up from London, they go out for a beer and say come and see our local. It's like the [Pub X] it's almost a novelty. They like Parent Co'. Pub 27*

### **'The product' - professionals**

*'I guess the nature of your building demands a certain kind of offer and it is just affecting that offer and getting it relevant to the various audiences'. Pub 9*

*'I think one of the biggest appeals with Parent Co is [location] itself and what a lovely place it is and because it's still attached to [location] it's always going to have that small brewery appeal whether it's got big, bigger or even enormous, it's still going to feel like a small regional brewery from the point of view of caring and consistency and that sort of thing but at the same time it's growing like mad as well. I think that is all down to the location, because people come here and the first thing they think of, is - I can have that pint of Parent Co because it doesn't taste as good anywhere else except in [location] - which is right or wrong I don't know. People*

*have it in their heads that [location] is the place to come for Parent Co'. Pub 10b*

### **'The product' - positive traditionalists**

*'I was going to say about our products, I notice that when I took the Castle, we had the Greene King pub at the top and Greene King were really pushing the seasonals and we have actually come along quite well with that, so that has really helped. People have asked when these things are coming on line and it is nice to have an answer and say that this or that is happening'. Pub 26*

*'People do like Parent Co as a company, I find most customers you talk to about brewing - "Oh, bloody good". They love brewers that have shut down. Like Stewart & Patterson, but they like Parent Co even though it still exists'. Pub 27*

### **'The service' - professionals**

*'As we all know, the danger is, sometimes, that you want to talk to somebody but you don't like to be a pain in the arse. So I think you have consistently had good people over the years, but it is amazing how consistent that's been'. Pub 9*

*'I think that the better people you have out there representing you, the more comprehension they have, the more understanding, the more in tune, the more then again the greater likelihood of managing the future you will have'. Pub 9*

*'I think the senior managers have got your act together and I think part of that is coming out particularly through the marketing material'. Pub 10a*

*'It's not just one relationship, there's probably five or ten or more relationships within, whether It's with fellow service or the guys out there or the wine or senior managers or HR'. Pub 10a*

*'So you have got the lot there and I think one of the problems that's got to be overcome is trust. We are speaking openly to you - and trust that it's going to be taken on board seriously. As well there's a lot of publicans out there who, say, don't want to tell them too much because they'll put the rent up, for whatever reason. I think this is where we're going back to the working partnership'. Pub 9*

Trust and the working relationship are key themes identified by 'professionals' as motivating improved working.

### **'The service' - positive traditionalists**

*'If we have a problem, we can share our problem with you'. Pub 20*

*'I think we have a good physical back-up such as the cellar service, which you seem to be reinvesting in'. Pub 6*

'Positive traditionalists' clearly value the relationship with the Parent Co.

This phase of the AI was completed quickly and concerned all participants playing an active role in discussing what is done well in the Parent Co owner/manager relationship. The next phase of the AI discussion and debate was around 'what could be' or as ascribed by Cooperrider and Whitney (1999) 'dream' phase.

### **Dream phase - what could be - working together better**

The 'dream' phase, consistent with Cooperrider and Whitney (1999) stated experience, proved to be an entirely positive session with good participation and a strong flow of ideas that individuals built upon as the session progressed. Owner/managers, quite rightly, focussed upon the relationship between themselves and the Parent Co. Many of the ideas brought forward were of a relatively routine nature, but nonetheless, these individuals had never collectively had the opportunity to express their opinion in this way about the relationship. A summary of the session (figure 10.2) is tabulated below and supported by participant comment.

**Figure 10.2 - dream phase core themes**

'Dream' Phase	Owner/manager	Category
Core Themes	'Professionals'	'Positive traditionalists'
Ideas for legal arrangements	These individuals value the brand of the Parent Co and recognise the business benefits it brings. However, they feel they would like the opportunity to share goodwill. They recognise this involves a quid pro quo with the Parent Co and would be willing to explore non-traditional arrangements.	Consistent with 'professionals' these individuals would like to share more of the goodwill and recognise the need for a quid pro quo with regard to rents. They do however; express more conventional solutions to this.
Ideas for business competitiveness - how the Parent Co can help	This group produced imaginative ideas as to how they could work together with the Parent Co and make more use of data for the good of the whole business.	This group focussed more on competitiveness through better pricing. There was also a focus upon the product range.
Ideas for managing the day-to-day better	Ideas were generated that related to the sharing of practice and the role the Parent Co could provide as facilitator. Ideas focussed upon training, financial and management systems.	This group had more difficulty in this area again resorting to comments regarding service from the Parent Co although they did make some links to brand development.

### **Ideas for legal arrangements – 'professionals'**

*'It's an insane arrangement whereby some operator goes into a pub with a capital value, trades it and can significantly enhance that capital value. And yet there is no recognition of that. I mean, this is quite absurd. So I think that you can talk a lot about premises, beer and everything else, but at the end of the day if you want good focussed operators - then It's where's the upside? I think in terms of existing arrangements I think Parent Co possibly and I don't know to be true, possibly provide a very comfortable and reasonable arrangement, but if you want to go a bit further then you have to give people a goal or window or incentive'. Pub 10a*

*'What we want is to set up a situation where I'm not doing that because it's Parent Co's responsibility and I think that happens. And that's so counter-productive and I think again, because of the way I've been treated and when it comes down to things, I'll just do them. Because I think it'll come out in the wash somewhere or this thing like what goes around comes around. So as long as both*

*parties appear to share that kind of philosophy then it makes it so easy'. Pub 9*

'Professionals' relate their legal status to the operation of the businesses and their own motivation. They have an appetite for radical change although are unsure as to what exactly that change might look like.

### **Ideas for legal arrangements – 'positive traditionalists'**

*'It would be nice to be able to say "I've done really well this year" got a rent increase coming but I still want to go forward again. It does knock you back a little bit, so I think that distance of three years for me personally that's my dream getting rid of that, so I've got a bit longer to go yet'. Pub 26*

*'We don't get any goodwill. Somebody could ruin your pub that you've spent all those years building up as soon as you walk out the door. Leaseholders get that don't they? Could you look at that?' Pub 20*

'Positive traditionalists' are seeking some security over tenure and appear less interested in radical change to their legal arrangements.

### **Ideas for business competitiveness - 'professionals'**

*'Again, I would have thought that we could have or could get enough information to get down a kind of template of the kind of numbers. It's almost a measure of business performance; this is kind of what we would expect of the norm. So if you're a GP on drink I'm guessing in your estate eyes - is it 50% or something. We do at that time I think is 57% - whether we're overcharging or what I don't know, so do people understand that? If they're at 49% do they understand why they're at 49%? Things are probably slightly more difficult but even down to overhead numbers - again dependent on how you break it down - what do you expect under rent/rates and stuff like that? To me with all the figures that we consistently deliver there are - you should be in a certain range - that's my experience. If you took enough experiences and put them all together then you could have an even better overview'. Pub 9*

*'Particularly, as legislation is getting tougher and tougher now, we can't have our finger on all the pulses, we are not qualified. We're caterers, we're not HR people, but you've got to be so careful now. We've actually hired them for a specific reason but at the same time we've given them a load of work to do for us. They're doing handbooks etc and they're doing the whole thing now and it's costing us but we're very happy to pay'. Pub 10b*



'Professionals' communicate and feel a responsibility to share practice with others. Their confidence in their own performance and an element of wishing to acquire further knowledge seem to be the drivers of this. This again identifies a difference to the entrepreneurial literature where entrepreneurs are identified as the most independent of individuals.

### **Ideas for business competitiveness – 'positive traditionalists'**

*'It's funny, in this area it hasn't got as big a positive influence as in some other areas where people know the wine brand better than they know the beer brand. It's coming along, I'm always surprised how many people didn't realise that Parent Co did wine, you know, so that's the people who drink beer, and the people who drink wine didn't know that Parent Co made beer. We should look to make more of this'. Pub 29*

*'It's the same, Paul went to one supermarket and Parent Co bottles were cheaper on the shelf than we could buy from Parent Co'. Pub 20*

*'I think if we could somehow get our buying prices in line with prices that we see in supermarket, that would make people more content. Maybe we should be looking at that'. Pub 27*

'Positive traditionalists' adopt a more pragmatic approach to their competitiveness and view this essentially through pricing.

### **Ideas for managing the day-to-day better - 'professionals'**

'Professionals' focused primarily upon their staff within this section and saw good people management as the way to managing their day-to-day operations better.

*'Yes but I think it's general. I think it would apply. Like one of those eureka moments or the lights go or whatever you want to call it. And if you don't get someone of sufficient calibre, capability, professionalism and they don't have to be all-knowing of the specifics and they need to be good in terms of people, professionalism and standards and positioning. If you don't get those people in place you limit the growth of whatever is underneath them'. Pub 9*

In this extract the respondent is talking about recruiting and retaining the very best talent with his/her business and is communicating the need to recruit based upon attitude, otherwise personal growth opportunities might be limited to people within their teams.

*'People can be trained and developed - I mean we all develop all the time, and sometimes we have to make do with what we've got but try and improve on all that and I think it's like maybe try and maybe monitor results a bit. It's like having a person doing a certain job,*

*yes, they can do a job and whatever, and really what's coming out its what's important and at the end of the day, like in our case I mean, we try and sort of improve on service and try and get people on board to work together and try and get the right results'. Pub 10a*

### **Ideas for managing the day-to-day better - 'positive traditionalists'**

*'I feel that I'm left to get on with it without too much interference. You can get a lot of interference from breweries; I know that for a fact'. Pub 27*

In his comment the respondent is communicating his wish to see a more hands-off approach from the Parent Co maintained, as this is good for his day-to day operations and is viewed positively.

*'You will help when asked, but you don't interfere when not being asked, which is just an extension of that. There are times when that's very useful'. Pub 29*

Here the individual reinforces the point made by a co-respondent. This approach communicated by this category concurs exactly with the findings of Project 2.

**Figure 10.3 - design phase - creating ideas for the future**

'Design' Phase	Owner/manager	Category
Core Themes	'Professionals'	'Positive traditionalists'
Change the things that matter	This category of owner/manager felt the design phase should focus upon core business skills.	The attention here was more prosaic and focused upon commercial terms and such matters whilst still recognising the requirement for a quid pro quo.
Change with confidence	The individuality/personality of the Parent Co was identified as being critical in this context	The need for consistency was stressed by this category. They were also more reflective of their own situations.
Keep on communicating	'Professionals' require quite sophisticated messages to be communicated.	Acceptance of change as being inevitable - seek consistency in communications.

## **Professionals - change the things that matter**

From the Parent Co perspective the most provocative propositions came earlier in the workshop when the legal arrangements between owner/manager and Parent Co were referred to as being incompatible with 21<sup>st</sup> century working relationships. Changing this will involve a great deal of trust on the part of the Parent Co as it relinquishes control and power over a number of significant aspects of the trading relationship with these businesses. This provocative proposition was handled earlier so is not therefore covered again in this section.

'Professionals' adopted a broad perspective and thought about the whole of the Parent Co estate when considering the delivery of 'things that matter'. Here their focus was upon the delivery of business skills.

*'And it's also some of the management systems that you could easily offer to somebody to, say, fill that in once a week and it will basically tell you how much you have made and it's so simple. The knowledge of numbers will give incredible support and confidence'. Pub 9*

*'I suppose it's quite, I hadn't really thought to be honest, about how many people out there running businesses don't do what is very basic stuff. I'm just thinking now, you look at some people running pubs, like our accountant specialises in hotel and catering people and he says that a lot of his stuff is in like a crisp box just full of receipts. And you think this is scary'. Pub 10b*

## **Positive traditionalist - change the things that matter**

The perspective adopted by 'positive traditionalists' was more prosaic and focussed more upon their own particular needs, whilst recognising there was a requirement for a quid pro quo with the Parent Co.

*'What I'm saying is that perhaps we can buy cheaper than you can. You could then charge us a bit more rent. Would it work for both of us?' Pub 27*

*'I was going to say about our products, I notice that when I took the [A Pub], we had the [Competitor B] pub at the top and [Competitor B] were really pushing the seasonals and we have actually come along quite well with that, so that has really helped. People have asked when these things are coming on line and it is nice to have an answer and say that this or that is happening'. Pub 26*

## **Professionals - change with confidence**

The 'professionals' focused upon the character of change and building confidence in and through change. Again they adopted a broad perspective.

*'I think you need, in a very soft, gentle way, adopt the role of guardian, I hesitate to use the word parent, that's not the word, it's more guardian, it's all this coaching and mentoring stuff. You need to be the coach and the mentor and the guardian'. Pub 10a*

*'It's like generally people think they want to be individuals but individuality is your character and as we all know, again going back to training, there are lots of standard stuff that if you do this, you will stand so much, a greater chance of success or less pain or grief'. Pub 9*

*'It's creating confident people at the end of the day'. Pub 10b*

### **Positive traditionalists - change with confidence**

During this session the 'positive traditionalists' proved to be more subdued as they became reflective about their own situations and approaches.

*'If you stand back and say to yourself after a while I'm stale, which I could put my hand up and say I am actually. I don't think I've moved forward for quite a long while. Now I know what the answer is to that'. Pub 26*

*'It comes under the banner of happy tenant, if there could be such a thing, because a happy tenant is not a pain to you whatsoever and at the end of the day he will help the shareholder'. Pub 26*

They did however relate to the need for change and the positive relationship well motivated tenants will have with the generation of shareholder value.

### **Professionals - keep on communicating**

In this section the 'professionals' again focussed on the wider situation, on developing business relationships and building their own security. These are relatively sophisticated messages and indicate a group of people with an appetite for change evidenced by their willingness to become more involved in creating the future.

*'So the message needs to be to new tenants or existing tenants - you are part of the security that we have in terms of maintaining our independence - the whole thing top to bottom. They need to understand that they're part of that equation. It's not you offering security; you have to earn it for the company'. Pub 10a*

*'Really that needs to be, rather than being the dodgy subject behind the hand, perhaps involving us more with the long-term picture'. Pub 10b*

*'We communicate well in a perfunctory way but again if we want to go further we must do better'. Pub 9*

### **Positive traditionalists - keep on communicating**

'Positive traditionalists' began to turn their attention to forthcoming change; it was interesting that they had already made a leap assuming change would accrue from the exercise and therefore focussed on the communication needs during a period of change. This is communicated in the following extract.

*'In all the 20-odd years I have worked with Parent Co we have seen change'. Pub 20*

*'Whenever I speak to people and I say something is going on somewhere else or someone has done something, invariably they know - people are seeing the same things I am seeing and this consistency is important when things are changing'. Pub 6*

### **Delivery phase - energy and momentum**

The delivery phase was a high-energy period with both categories of owner/manager moving forward with momentum. Both had begun to focus on the change and assumed change would follow from their inputs. This is illustrated in the following comment.

*'What is pleasing is the fact today I suppose we are really sitting here today, it is pleasing to know that the company want to drive forward, it must be quite unique that tenants of any brewery, we don't know what goes on but it is the fact that Parent Co is going forward not because they have to but because they want to'. Pub 26*

The workshop sessions had been productive and generative of ideas in a focussed way so that the themes around implementation were really all about the pace of change. Whilst there were slight differences in the responses of the categories at this stage of the exercise both began to converge with regard to the speed of change. These are summarised in figure 10.4 below.

**Figure 10.4 - delivery phase**

'Delivery' Phase	Owner/manager	Category
Core Themes	'Professionals'	'Positive traditionalists'
A measured approach to change	Will prefer a measured approach to change and will want to link it back into business strategy.	Are more conservative and communicate a requirement for a step-by-step approach. The risk aversion of this category begins to emerge.
Cadence is important	Substance is required over pace - small steps are desired.	Substance is required over pace - small steps are desired.
Partnerships	In conflict with some traditional views of entrepreneurship this category of owner/manager welcomes involvement from the Parent Co.	Are broadly happy with current arrangements.

### **Professionals - a measured approach to change**

*'I think it would be nicer obviously to see things being taken serious so therefore not leaving it months and months but at the same time you've got to think that it's done properly. Because at the moment you're in the throes of so many changes anyway, you've probably got quite a lot on your plate. You've probably got quite a lot going on so you don't want to let anything suffer because you feel that it's got to be done within three weeks or something. But I suppose its one of those things, I mean, for example, just come to mind, [Pub B] is going to change in the next few months, maybe when the new people go in there, perhaps we'll see some significant changes because that can be a new arrangement'. Pub 10b*

*'I think the point is about us talking about issues, our strategic issues, our business issues, just as you talk about your business issues and actually getting an insight into some of the things that are occupying our thinking. From this shared understanding we can jointly build change'. Pub 9*

### **Positive traditionalists - a measured approach to change**

As the discussion turned to implementation of a number of the ideas the inherent risk aversion of the 'positive traditionalists' began to appear in the dialogue.

*'I think small steps; if it doesn't work it's easier to go back'. Pub 6*

*'If you do a huge step, they'll blame us because we agreed to it'. Pub 20*

*'Is it not worth looking at what other companies in the same position have done and seeing if they are right?' Pub 27*

### **Professionals - cadence is important**

*'Also, you can't have a period of everyone dancing around their handbag wondering what if?' Pub 9*

*'It is making a difference, I think that you know, that I've been on, can't remember, some time ago, you know, all the rhetoric comes out and it's here we go chaps and get in here boys and speak your mind. But again from my point of view suggest to you, it doesn't need to be hugely significant, it needs to be a step in the right direction'. Pub 10a*

### **Positive traditionalists - cadence is important**

*'Well not too small steps, because as John said he's retiring in three years he might only see one'. Pub 26*

### **Professionals - partnerships**

As identified earlier the 'professionals' have a desire to work closer with the Parent Co and recognise some of the strengths that the Parent Co can bring to the relationship - they require and seek a much greater involvement in their relationship with the Parent Co. In overall terms, given that these people are the most entrepreneurial within the population and following definitions by a number of scholars Beaver (2003a), quoting others, have a tendency to great independence, this is a surprising outcome. This is consistent however, with findings within Project 2.

*'It's involvement at a kind of - I don't know what the word is - ethereal kind of level and it's mental exercise, it's not about things on a bit of paper or tasks, it's about comprehension and understanding in the head and then carrying culture, like carrying that forward'. Pub 10a*

*'This is what I would start to identify as this partnership thing. When you start to talk like that, then I think you'll start to have a proper partnership as opposed'. Pub 9*

*'So involvement it is then'. Pub 10b*

### **Positive traditionalists - partnerships**

Whilst in many respects 'positive traditionalists' value the relationship and are less challenging of the Parent Co, they fight hard and are fiercely

independent when it comes to their businesses. Again, these findings were consistent with behaviours identified in Project 2.

*'I run my business the way that I run it without people coming in and tut-tut-ing and saying you shouldn't be doing this or that or vice versa'. Pub 27*

*'And that's a good thing'. Pub 20*



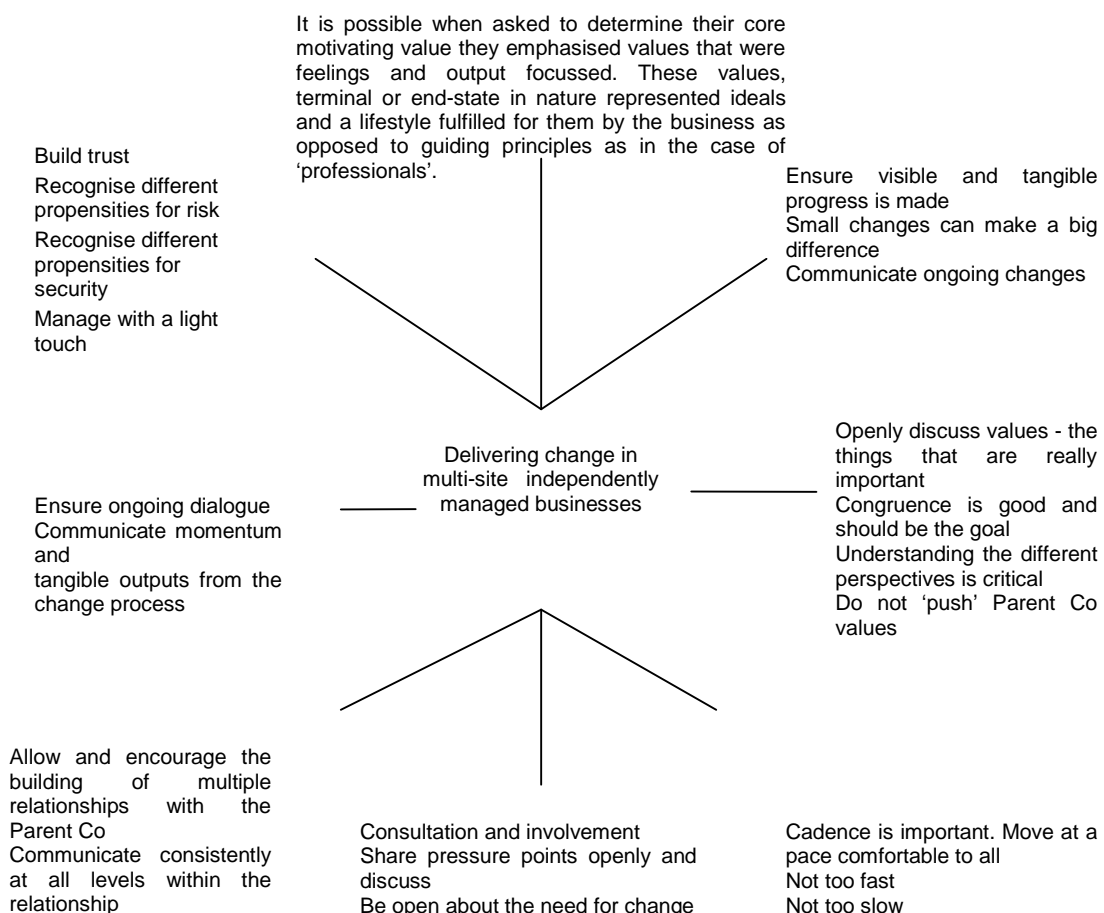
## CHAPTER 11 - PROJECT 3

### DISCUSSION AND FINDINGS

#### A model for engagement - delivering change

The (AI) process has delivered a number of insights into building momentum and an appetite for change in multi-site businesses that have an independently managed arms length relationship with a Parent Co - in the case of this research - a tenanted pub retail business. The analysis detailed in chapter 10 has contributed to the development of the following interdependent process (figure 11.1) highlighting critical aspects that if followed will improve the chances of success for any change initiative.

**Figure 11.1 - critical aspects for successful change**



The analysis in chapter 10 also identified differences in approach between 'professionals' and 'positive traditionalists'. As identified and contra to much scholarly thinking around entrepreneurial people (Thompson, 1999; Hamilton and Harper, 1994; McClelland, 1961), the research indicates the

'professionals' as requiring a deeper, broader relationship with the Parent Co and 'positive traditionalists' requiring a more hands-off approach. The following section seeks to build on the model detailed above and acknowledges themes derived from detailed research, whilst remaining sympathetic to and acknowledging of still greater complexity that will exist in the worldview of each individual.

### **Recognise owner/managers are not homogeneous**

In developing a change agenda in such businesses it is important for parent companies to recognise that the population of individuals operating their front-line businesses are indeed quite individual. Often parent businesses are seduced into categorising and segmenting such businesses by property type, location, style of operation and consumers. All of these things are extremely valuable but the additional complexity of owner/manager values, motivations and behaviours needs to be considered if the chance of business success is to be improved. Parent companies will not optimise their valuable property assets by installing the wrong individual in a business. The research suggests that organisations that recognise this dynamic and match owner/managers to appropriate businesses, rather than leaving this to be expensively uncovered at a later date, will benefit and gain competitive advantage.

### **Ensure visible and tangible progress is made**

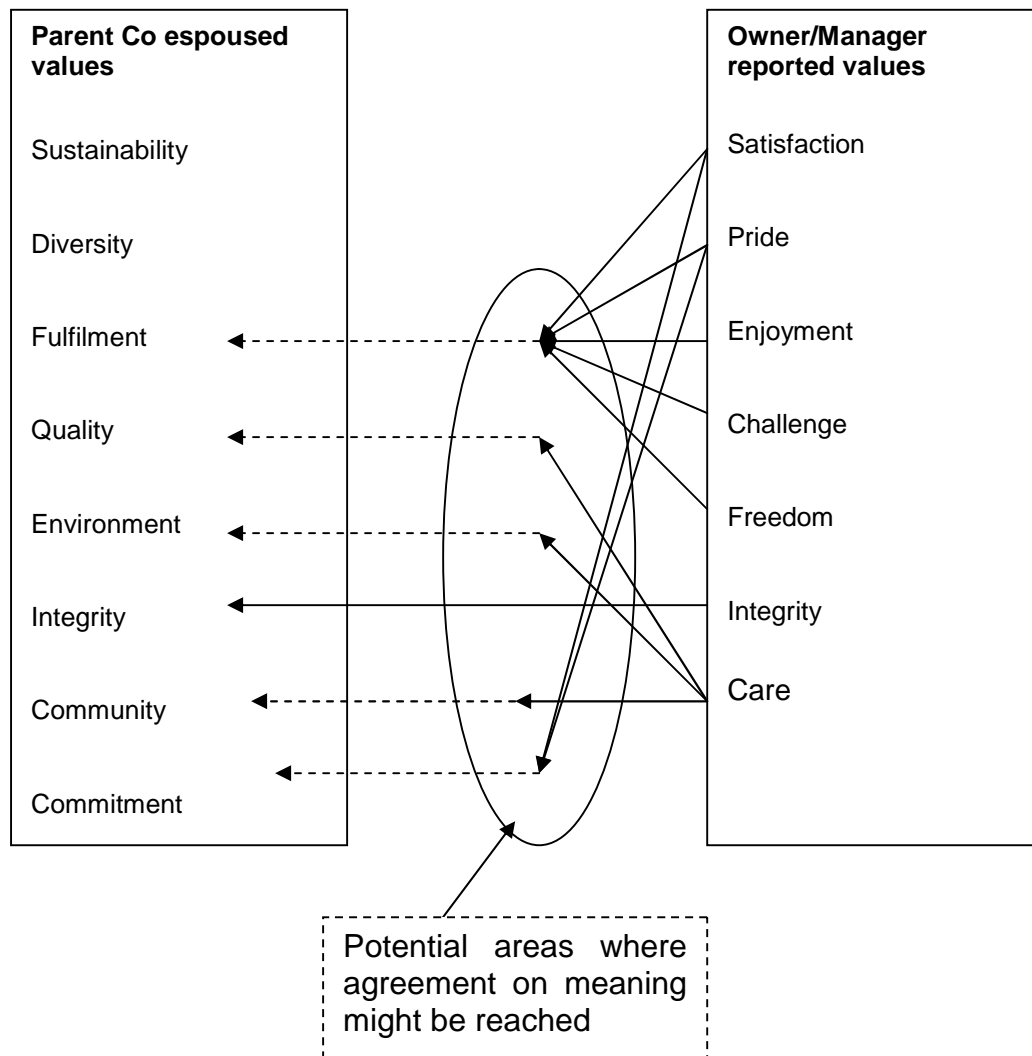
In order to retain their most valuable owner/managers parent companies must demonstrate visible and tangible progress is being made towards improvement. These independent business people are, in most aspects, in control of their own destinies. They can make things happen within their own businesses without reference to or the approval of others and as such are used to seeing and experiencing quick decision making. Not being sympathetic to or understanding of bureaucracy, these individuals want to see progress, however small.

### **Openly discuss values - 'the things that are really important'**

This indicates that not all owner/managers are homogeneous. In order to understand fully the undoubted differences, it is important to look beyond the words to deeper motivations and how these deeper motivations translate into management behaviours. Respect for the fact that individuals are different and have differing perspectives is a basic human right - extending this and avoiding the pushing of parent companies' values, at an early stage in any dialogue, will improve the conversation and levels of openness. Where congruence between owner/manager and parent company values begins, the conversation improves still further with greater understanding of each parties needs beginning to accrue.

Whilst they have not formed an integral feature of this research the values of the Parent Co and its approach were the catalyst for this study to be undertaken. At this stage it seems appropriate to map these values against those arising from the owner/manager population to identify where common areas and meaningful discussion around shared values might take place.

**Figure 11.2**



The values comparison map detailed above highlights the complexity of this whole area. The meaning attributed to value words, as has been identified throughout this research, is dependent upon individual interpretation. There are however, potential areas of common ground where discussion might begin. It is unsurprising that in this context the more complex concepts of diversity and sustainability, common value words used in the corporate sector, are more difficult to map against values that individual owner/managers see as important.

### **Cadence is important**

Respondents were clear that creating a rhythm and pace to change was important. This rhythm should be fast enough to reassure people that progress is being made but slow enough to ensure people keep up. Both categories of respondent coalesced around this and the need for staged change that could be 'unwound' if it was found not to be working or proved unacceptable in some other way. There was evidence that they wanted to maintain feelings of still being in control. The research highlighted a degree of conservatism in both categories around the tangible act of beginning change, and the need for them to want to retain a degree of control is unremarkable given they control all other aspects of their business.

### **Consultation and involvement**

The process for engagement and change set out within the overall DBA study has established an agenda arising from the participants themselves. The need for consultation and involvement is consistent with well established thinking in the field of organisational change by scholars (Kotter, 1996) and the practitioner communities. It is, however, important to acknowledge the individuals subject to this study have not universally been exposed to change or consulted in this way before. Continued consultation and involvement will ensure engagement with the process and a continued flow of thoughts and ideas. The continued involvement will avoid the subject being dropped in the minds of owner/managers as they progress the day-by-day, hour-by-hour responsibilities of operating their own businesses.

### **Allow and encourage the building of multiple relationships with the Parent Co**

The research clearly established the fact that owner/managers secured great reassurance from their relationships and engagement with people at all levels within the Parent Co. These relationships enable them to communicate their own particular needs directly to service providers and engage in informal dialogue about the Parent Co. This enables them to feel 'in the know' and closer than other customers. These multiple relationships play a valuable role in building trust and confidence amongst owner/managers and should be recognised and encouraged by the Parent Co.

### **Ensure ongoing dialogue**

Linking closely with 'visible and tangible progress' and 'consultation and involvement' it is important that the dialogue with this group of individuals is ongoing and not staccato or just when the Parent Co thinks it has something important to say. These individuals are constantly communicating with their customers and in the particular case of 'positive traditionalists' want to be able to express their pride in being involved with the Parent Co and thrive on

stories that they can tell. Both categories expect regular communication; a lack of contact could be interpreted as a lack of momentum. This has the potential to turn support into cynicism if not managed actively by the Parent Co.

### **Build trust**

An essential component of any change process, trust is no less important in this situation. Respondents specifically referred to trust on a number of occasions. The need for this may be even more pronounced when the relationship to the Parent Co is at arm's-length and change could be perceived to directly threaten not only the owner/managers' livelihood but also the roof over their heads and those of their families. Regular communication and a light touch that is sensitive to the needs of individual owner/manager groups, together with following the process detailed above, should mitigate the critical issue of trust being undermined.

The thesis as it has developed has progressively focussed upon two categories of owner/manager through the lens of entrepreneurship. This perspective, whilst helpful, is incomplete as owner/managers contend with a paradox of both a close and an arm's-length relationship with the Parent Co. This phenomenon means they cannot be truly entrepreneurial in an absolute purist definitions but also they are not internal members of an organisation and therefore do not fit entirely comfortably with definitions of intrapreneurs (Antoncic and Hisrich, 2003). In this sense they occupy a unique space: risking their own money, whilst working within a legal framework and the requirements of the Parent Co. This can be seen as restricting for certain categories of owner/manager as they seek to develop their offer based upon their interpretation of the needs of their local market. The arrangements are often further complicated by the fact that the owner/manager's place of business is also their home. These competing tensions and complexities therefore make the relationship with the Parent Co critical if the arrangement is to work effectively.

The thesis has identified further characteristics that are distinct to each category. 'The professionals' require degrees of risk, tangible outputs and momentum in their relationship with the Parent Co. 'Positive traditionalists' also required these things to a lesser extent and principally seek independence and stability from their relationship. Each category operationalised their personal values in different ways with 'professionals' deploying them in instrumental ways that seek to develop the business, amongst these individuals the business and its success was found to be much more an intrinsic motivator. 'Positive traditionalists' in many respects were found to be freer spirits and sought fulfilment of their values through activities and actions that were extrinsic end-style or terminal to the business. They are more likely to seek to enjoy the fruits of their labours.

The behaviour and contributions from each of the categories throughout the AI workshop reinforced earlier research and highlighted the sensitivities around individual approaches. The final project has established an eight-stage approach to managing these individual relationships and building trust. The approach, however, should only be used once the individual characteristics of owner/manager groups are established and understood. At this point the eight-stage process can be deployed with underlying knowledge and in a manner that takes account of the complexities and sensitivities of target groups.

### **The AI process**

The AI process proved to be positive. The '4 D' method provided a focussed framework that seemed to create generally higher levels of energy and engagement from participants. The framework enabled a rapid identification of issues and provided stages at which issues raised could be returned to later. The focus upon only the positive led to people becoming open and creative, and the workshop environment encouraged people to build upon each other's thoughts and ideas. The method proved to be flexible and sensitive enough to allow different approaches to manifest themselves and for the alternatives to be discussed without negatives entering into the debate. This itself created momentum and reinforced positives.

The claims that this method produces better quality results than any other process could not be substantiated. The reason for this is that it would be virtually impossible for an intervention of this nature, conducted under AI conditions, to be repeated under different conditions and circumstances and the results somehow arbitrarily compared for their quality. Such an exercise, it seems, would be entirely fruitless.

### **Contribution to knowledge**

The contribution to knowledge for Project 3 falls into four distinct areas: Firstly, the recognition of the typology of owner/manager types identified in Project 1. There was a close recognition by owner/managers of the research findings and the way in which they see themselves and colleagues within the sector. The typology produced discussion, understanding and a platform from which Projects 2 and 3 were able to flow and develop. The recognition of this initial work was critical to the credibility and trust of the research.

Secondly, the reinforcement and confirmation of distinguishing behaviours and characteristics identified in Project 2 for 'professionals' and 'positive traditionalists'. These 'true to type' behaviours were confirmed through individual involvement and contributions throughout the AI workshop process, in particular the willingness of 'professionals', the most entrepreneurial type, to work with the Parent Co more closely, and the 'positive traditionalists' wishing to be left more alone by the Parent Co. This finding contradicts some

of the more established thinking about the most entrepreneurial people who are often portrayed as the most fiercely independent people. It may be that these individuals recognise the benefits of working with established brands and with the covenant of an established business.

Thirdly, the study used differing methods of research within its overall scope. The marrying of semi-structured interviews with individuals, followed by the bringing together of categories in an environment using AI methods, proved particularly useful in terms of creating recognition for earlier work, creating a positive framework for discussion and achieving commitment to change from participants. This intervention provided participating individuals with the opportunity to understand the need for change, create an agenda for dialogue and involvement and establish the pace of change, all essential components in delivering change amongst independent business people.

Finally, the development of an intervention for businesses of a type that have arm's-length relationships with independent business people who represent their brand or service in some way. The approach, in essence, achieves the following:

- Takes at its core the individual personal values of owner/managers.
- Understands and deciphers how these individuals deploy these values in the form of management behaviours.
- Uses this knowledge to create categories based upon these management behaviours.
- Identifies the relative value of these categories to the Parent Co and highlights the implications of the varied behaviours.
- Works with the 'most valuable' individuals to further understand their motivations and drivers, understanding and identifying in greater detail their idiosyncrasies whilst detailing their requirements from the relationship with the Parent Co. In essence the study provides insight and a knowledge base from which the Parent Co can develop stronger and deeper psychological contracts (Rousseau, 1995) with its 'most valuable' owner/managers.
- Achieves recognition of the categories and behaviours identified from participants themselves.
- Creates an agenda and appetite for change through the use of appreciative inquiry principles.
- Identifies an eight-step process for managing the change based upon the needs of participants.

The applied nature of this final phase of the thesis means that the intervention highlighted has much 'transferability', could be implemented across any business that enjoys complex multi-dimensional relationships with independent business people and has a change agenda.

The objectives and research aims set out in the introduction stage of this Project were as follows:

- To further build upon the insights and understanding developed in Projects 1 and 2
- To focus upon change within both the sponsoring organisation and individual tenanted pub retail businesses
- To be capable of relatively quick implementation in the sponsoring organisation and individual pub retail businesses
- To involve respondents in designing a solution
- To recognise and take account of the complexities of the different categories of owner/manager and their relationship with the Parent Co
- To build on the positive aspects of the owner/manager/Parent Co relationship

The AI and subsequent analysis delivered these research aims and provide a robust basis for organisations to conduct interventions of this nature in the future.



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## Appendix 1 2001 Census

Reference Number	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Demographic Information	Figures by postcode, LSOA															
Resident population (Census 2001)	1,462	1,502	1,623	1,376	1,530	1,771	1,455	1,569	1,564	1,458	1,752	1,840	1,862	1,374	1,855	1,069
Resident population: percentage in age band, April 2001																
16-19	4	5	5	5	2	4	5	5	4	2	3	3	3	4	2	5
20-44	26	35	37	36	37	27	39	36	25	16	25	20	21	28	27	30
45-64	23	26	22	22	20	27	22	22	30	25	27	26	33	27	30	28
65 and over	33	17	16	14	35	25	13	13	22	47	34	37	29	29	23	17
Average age (census 2001)	48.2	41	38	37.1	50.1	38.6	36.5	38.6	43.9	57	50.4	51	49.3	41.2	44.5	40.2
Percentage of resident population aged 16 to 74 in each group, April 2001																
Economically active																
Employee full-time	30.93	30.57	45.11	47.89	33.93	36.56	42.77	39.02	37.65	22.4	34.47	31.34	24.44	32.36	29.35	37.97
Male employees part-time	3.94	5.07	3.42	3.78	6.47	2.5	3.51	5.32	4.46	6.51	5.45	3.83	3.46	5.09	3.68	2.3
Female employees part-time	21.23	19.77	25.39	26.45	12.13	24.69	28.76	26.58	22.58	16.04	18.1	19.43	19.06	21.28	21.08	22.08
Self-employed	14.5	12.46	9.78	5.27	9.69	7.28	6.07	5.93	9.63	16.24	13.49	11.47	19.47	17.64	17.85	14.93
Unemployed	2.64	9.19	3.35	2.32	6.46	2.25	5.39	4.82	1.4	2.13	2.75	1.83	2.08	2.06	2.95	2.32
Full-time student	2.23	1.68	2.73	2.32	2.6	2.17	1.54	2.78	1.14	1.9	1.67	1.16	1.34	0.97	1.4	1.93
Economically inactive																
Retired	20.39	10.69	10.13	9.6	20.02	24.32	9.06	9.82	22.42	32.03	22.56	29.26	26.23	14.18	22.05	16.6
Student	1.72	2.47	2.29	1.69	4.67	1.86	3.18	2.97	2.98	1.23	2.83	2.16	2.15	3.79	2.51	2.32
Looking after home/family	7.51	7.16	6.96	7.59	3.23	5.5	7.51	8.9	5.78	5.6	5.08	6.15	5.94	10.39	6.56	6.31
Permanently sick/disabled	3.75	8.83	3.26	4.54	6.82	3.8	5.39	6.3	3.59	4.37	2.58	2.41	3.42	3.14	3.1	3.99
Other	3.55	5.12	1.76	3.06	3.5	2.56	2.79	3.24	2.1	2.46	2.25	2.24	3.57	2.16	2.21	1.54
Qualifications: percentage of resident population ages 16 to 74, April 2001																
People aged 16-74 with no qualifications	29.92	40.55	27.93	30.27	23.88	35.79	32.85	33.36	28.11	27.44	17.9	17.04	30.31	24.57	27.21	29.99
People aged 16-74 with highest qualification attained level 4/5 *	19.17	6.8	11.1	8.12	31.15	10.38	7.32	9.64	22.07	23.74	38.38	37.49	22.21	26.84	24.78	20.98

\* Note: Level 4/5 includes first degree and higher degrees; NVQ levels 4 and 5; HNC; HND; qualified teacher status; qualified medical doctor; qualified dentist; qualified nurse; midwife; health visitor.

Reference number	18	19	20	23	24	26	27	28	29	30	33
Demographic information											
Resident population (Census 2001)	1,462	2,324	1,995	2,206	1,914	1,526	2,784	1,747	1,452	1,995	1,771
Resident population: percentage in age band, April 2001											
16-19	4	4	4	4	4	3	18	4	3	4	4
20-44	26	27	22	26	25	50	66	26	47	22	27
45-64	23	28	31	28	34	18	7	25	20	33	27
65 and over	33	22	27	23	21	9	5	30	21	27	25
Average age (census 2001)	48.2	38.6	47.1	43.5	44.4	34	27.3	47.4	42	47.1	44.8
Percentage of resident population aged 16 to 74 in each group, April 2001											
Economically active											
Employee full-time	30.93	31.93	26.3	31.29	30.99	57.37	12.88	31.12	50.59	26.3	36.56
Male employees part-time	3.94	2.68	3.11	3.95	3.71	2.03	0.86	3.42	4.84	3.11	2.5
Female employees part-time	21.23	23.7	19.08	21.74	22.54	17.11	4.44	22.53	12.57	19.08	24.69
Self-employed	14.5	16.21	18.02	15.13	16.88	8.49	1.09	14.92	6.17	18.02	7.28
Unemployed	2.64	3.06	2.24	2.55	2.41	1.99	0.93	3.41	3.99	2.24	2.25
Full-time student	2.23	2.1	2.03	2.23	1.77	1.56	3.92	1.36	1.9	2.03	2.17
Economically inactive											
Retired	20.39	18.55	25.67	18.97	18.72	8.15	2.44	18.33	9.79	25.67	24.32
Student	1.72	2.1	2.38	2.81	2.27	2.08	72.29	3.58	5.98	2.38	1.86
Looking after home/family	7.51	6.84	6.38	6.64	7.3	5.89	1.55	5.46	3.54	6.38	5.5
Permanently sick/disabled	3.75	3.6	3.65	4.41	4.26	3.38	1.32	5.03	6.35	3.65	3.8
Other	3.55	2.28	2.17	3.13	2.2	1.73	1.24	3.32	3.17	2.17	2.56
Qualifications: percentage of resident population ages 16 to 74, April 2001											
People aged 16-74 with no qualifications	29.92	33.73	27.98	31.61	26.31	15.58	3.34	28.39	21.85	27.98	35.79
People aged 16-74 with highest qualification attained level 4/5 *	19.17	16.63	24.75	18.71	21.77	29.38	33.72	20.12	29.19	24.75	10.38

\* Note: Level 4/5 includes first degree and higher degrees; NVQ levels 4 and 5; HNC; HND; qualified teacher status; qualified medical doctor; qualified dentist; qualified nurse; midwife; health visitor.

## **Appendix 2 - Interview Protocol**

I would like to talk to you about owning and managing a tenanted pub. This is important as traditional pubs face many challenges such as changes to the licensing regime, changes to opening hours, potential smoking ban, increased attention on drinks pricing, together with the whole area of drink-related disorder when customers leave pubs and bars late at night. Finally pubs face increased competition for the consumer's pound from other leisure activities both at home and on the High Street.

I want to stress there are absolutely no right or wrong answers here and I am not looking for rights and wrongs, I am looking for your views which will be aggregated with the views of others to identify the common themes associated with managing a successful tenanted pub.

Name:

Age: 18-25                      26-35    36-45    46-55    55-65

Date of Interview:

Length of time in licensed trade:

Length of time as Adnams licensee:

Number of other Pubs:

Other work experience:

Questions:

1. What is it like managing a tenanted pub [skills, attitudes and knowledge?
  - What skills do you need?
  - What knowledge do you need?
2. What are the important things you do in terms of:
  - Managing customer service?
  - Managing staffing?
  - Marketing the business?
  - Managing the Business (financials, H&S, legislation?)
- 2.1 Why are these things important to you?
- 2.2 How do you know when you have done them well?
3. What does being a tenant give you personally?
4. How do you bring these things to life on a day-to-day basis?

### Appendix 3 - Coding Structure

Main heading	Code	Description
<b>Work ethic</b>	(WE)	Relates to the perceived effort required by the respondent in dealing with a specific work area.
	(WEhrs)	Relates to the perceived hours required to effectively operate the business
	(WEsta)	Relates to the perceived effort required in managing staff
	(WEcus)	Relates to the perceived effort required in managing and dealing with customers
	(WEfoc)	Relates to the perceived effort required to maintain a focus on the business
<b>Customer services</b>	(CS)	Relates to activities involved in serving and managing customers
	(CSgree)	Owner believes greeting customers personally is important
	(CSwel)	Creating a welcoming atmosphere for customers
	(CSFrie)	Creating a friendliness towards customers
	(CSproq)	Ensures quality of the product offer for customers
	(CSexp)	Recognises customers/consumers are seeking an experience
	(CScompha)	Has a system for handling complaints
	(CSfoc)	Relates to non-specific unfocussed comments regarding customers
	(CSlis)	Listens to customers, acts on feedback
	(CSrep)	Recognises the benefit of building a good reputation amongst customers
	(CSpv)	Discusses concept of price value in terms of customer service
	(CScons)	Discusses the concept of consistency when dealing with customers
	(CScons x)	Inconsistency seen as a negative in service terms
	(CSAnn)	Customers seen as annoyance – demonstrates discontent towards customers

	(CSrea)	Customer service is reactive and unplanned based upon customer responses/attitudes
	(CSto)	Customer service is seen as a two-way street. Customers are expected to trade their good behaviour for good service
	(CSconf)	Service can at times be confrontational through lack of process and stress within the system.
	(CSins)	Communicates an underlying insincerity towards customers. They are seen principally as a means to an end.
<b>Staffing</b>	(SF)	Relates to the management and emphasis that the respondent places on staff within the business
	(SFresp)	Respondent communicates a responsibility towards their staff
	(SFrep)	Respondent communicates the need for building reputation when recruiting and retaining staff
	(SFtrain)	Is prepared to invest in staff training and development
	(SFclarity x)	Staff not provided with clear instructions. They are owner actions and hints
	(SFpurp)	Sets clear purpose for staff. Provides evidence of their active management
	(SFman)	Provides reference materials for staff to aid job performance
	(SFsatis)	Is concerned with ensuring staff realise and achieve job satisfaction
	(SFpride)	Encourages staff to take pride in what they do. Believes leisure industry roles to have professional status
	(SFrew)	Is prepared to reward staff beyond local pay rates
	(SFrec)	Is prepared to recognise staff involvement and contribution in innovative ways
	(SFgender)	Believes gender to be an issue in staffing
	(SFto)	Staff are expected to trade off cooperation for reward
	(SFinv)	Is prepared to involve staff in developing aspects of the business



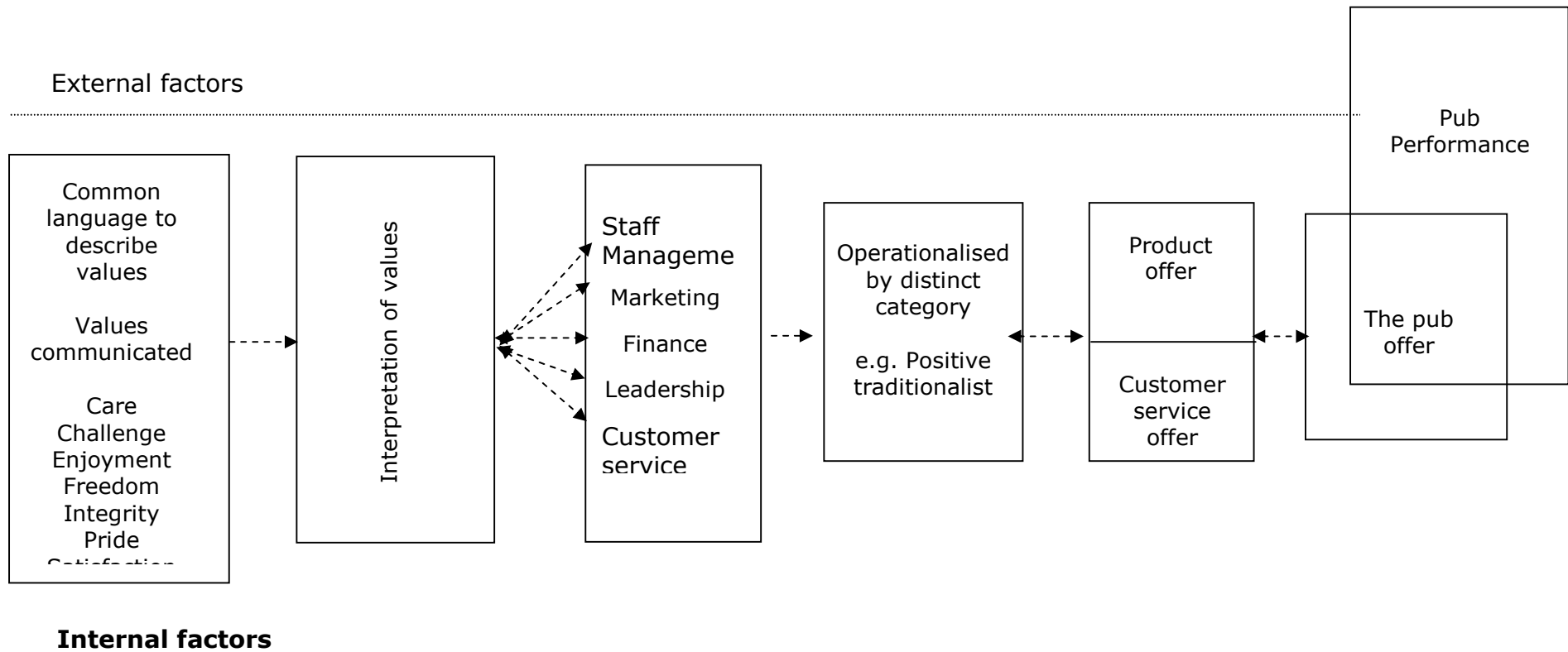
	(SFrea)	Management of staff is reactive and dependent upon staff responses. Limited evidence of a process or people management system in place
<b>Marketing</b>	(MKT)	Recognises marketing as a concept and makes active choices regarding its use in the context of their business
	(MKTcomp)	Monitors activities and pricing of competitors
	(MKTcomp x)	Has little regard for competitor activity
	(MKTad)	Actively advertises the business
	(MKTpr)	Engages in PR activities
	(MKTcomm)	Engages with and involves the business with the local community
	(MKTcommrej)	Actively rejects involvement with local community
	(MKTno)	Does not undertake marketing activity. Is a marketing rejecter
	(MKTwom)	Believes in and relies upon word of mouth marketing
	(MKTcusseg)	Understands and articulates target market. Is able to segment customers at a basic level
<b>Financial management</b>	(FIN)	Relates to financial management and planning
	(FINlit)	Communicates in a financially literate fashion, discuss budgets and plans
	(FINplan)	Prepares financial plans and measures performance
	(FINhelp)	Enlists regular professional help to assist with planning and budgeting
<b>Personal values</b>	(PV)	Values elicited in relation to owning and running the business
	(PVdev)	Devotion and loyalty towards the business
	(PVfree)	Freedom - from rules and regulations imposed by others. Free to make own decisions
	(PVpride)	Pride - in the business they have created and in the offer they put before customers
	(PVple)	Pleasure - from being own boss and in being with people
	(PVenj)	Enjoyment - from doing what they do

	(PVsha)	Sharing – enjoyment of sharing what they have created
	(PVcare)	Caring – about the business, those that work for them and for customers
	(PVrepu)	Reputation – pleasure from building a good reputation. Reputation is seen as fundamental to the business
	(PVfun)	Fun – obtaining a degree of fun from what they do
	(PVchall)	Challenge – enjoying the challenge of creating something, the challenge of the business
	(PVqual)	Quality – a commitment to quality
	(PVpeo)	People – enjoyment of being with and serving people
	(PVcon)	Control – belief in hands-on control of the business. Control of their own destiny
	(PVint)	Integrity – relates to honesty and integrity in their dealings
	(PVsec)	Security – Provides security for themselves and others
	(PVind)	Independence
	(PVsat)	Satisfaction – obtains satisfaction from job role
	(PVtrust)	Trust – trusts customers, staff, suppliers and receives trust in return
	(PVhapp)	Happiness – communicates job makes them happy
	(PVachie)	Achievement – values achievement within the business and personally
	(PVwarm)	Warmth – communicates care and warmth towards staff and customers
	(PVpat)	Patience – sees patience as a necessary value in managing a tenanted pub
	(PVtol)	Tolerance – tolerance is seen as a requirement in managing a tenanted pub
<b>Language</b>	(LAN)	Relates to the use of language in describing their business and the activities undertaken to make it a success in their terms
	(LANart)	Articulated self well, was able to communicate complex activities and distil important component parts

	(LANclic)	Made extensive use of clichés and well-worn phrases. Repeated self often when articulating concepts
<b>Sociability</b>	(SOC)	Relates to a level of engagement with customers beyond a business transaction
	(SOCeve)	Individual sees running a pub as an extension of their social life. Justifies this as engaging with customers.
<b>Leadership</b>	(LEAD)	Leadership of the business
	(LEADfro)	Leads from the front, sees this as important in building the team
	(LEADteam)	Creates a team-based business leadership model. Empowers and encourages staff to take responsibility
<b>Strategic intentions</b>	(SI)	Is prepared to develop their offer, learn from others and adapt the business to the needs of the market
<b>Entrepreneurial intensity</b>	(EI)	Has a complete focus on the business and achievement of personal goals
<b>Opportunity costs</b>	(OC)	Is prepared to incur opportunity costs to develop the business
<b>Team based structures</b>	(TBS)	Staff are organised and encouraged to become a team
<b>Future orientation</b>	(FOpos)	Has a positive outlook towards, and view of, the future
	(FOneg)	Has a negative outlook towards, and view of ,the future
<b>Strategic success factors</b>	(SSF)	Has in mind strategic success factors and discusses them in the context of the business
	(SSFri)	Reputation and image
	(SSFsq)	Product service and quality requirements
	(SSFcash)	Financial performance and cashflow
	(SSFlead)	Leadership model
	(SSFpol)	Understands and manages the political dimensions of the business

## Appendix 5 - Revised Working Framework – Internal factors only

Note: Dashed arrowheads imply a relationship not causality.



## **Appendix 6 - Interview Questions – DBA project 2**

Background data

Length of time managing current business?

Previous work experience?

Educational background?

Attitudinal data

Owning and managing a tenanted pub in the current climate carries a number of risks both personal and financial. How do you feel about these risks? And how do you assess what is a reasonable level of risk?

The current business climate, and in particular the licensed trade, throws up many ambiguities, e.g. social attitudes to alcohol use is hardening at the same time as a relaxation in licensing laws. How do you cope with these ambiguities in your role?

During our last interview we discussed a number of personal values that were fulfilled for you through owning your own business. *Remind of values identified in interview 1.* Which of these values is most important to you and why?

When you commenced on this journey of owning your own business, over what timescale did you see yourself continuing to do this? Why is that timescale important to you?

Working with others

In our previous interview we discussed your approach to managing people and working with others. When and under what circumstances would you see it as important to get involved yourself in the day-to-day business?

You chose to work within the tenancy system. Why do you choose to do this as a successful licensee? Why do you choose not to own a freehouse or long lease?

Innovation

New ideas for the business seem to interest you. Why is that? Why not leave things the same?

Where do your new ideas come from?

How do you evaluate the market need for any new ideas you might have?

When a good idea for the business occurs to you that may require the support of other interested parties, e.g. the brewery or local authority, how do you go about winning support for that idea?

Business support

How might X go about supporting you more? What type of support would you value?

## **Appendix 7 - Letter from Chairman, Adnams Plc**

Dear

Doctoral Research – Andy Wood

Andy Wood is currently undertaking a research degree at Cranfield University. His area of interest is looking at the relationship between personal values and success in small businesses. Andy would like to carry out his research in the context of the Adnams Tied Estate. Ethical guidelines for research together without our own desire to ensure matters are carried out in accord with such guidelines are the reasons behind this letter.

Prior to deciding to participate in the project you should be aware of the following:

- Your participation is entirely voluntary.
- Your normal privacy will be respected.
- You may withdraw from the research at any time for any reason.
- Your data will be treated with full confidentiality and if published will not be identifiable as yours.
- Your participation or otherwise in this study will not prejudice your relationship with Adnams Plc in anyway.
- Summary reports will be made available to Adnams plc. Within such documents any data presented will be not be identifiable as yours.
- Andy will write to you under separate cover to explain the methods and procedures he intends to follow to collect data and how long he will require with you.
- All appointments will be made in advance by telephone.
- A copy of the ethical approval form submitted and approved by the University ethics committee will be available for your inspection.
- The Board of Adnams Plc are aware of this project and will ensure compliance at all times with these ethical guidelines.

I hope you will be able to support Andy in his research.

Yours sincerely

## **Appendix 8 - Letter from Andrew Wood, Adnams Plc**

Dear

Doctoral Research

Further to Simon's letter dated 21<sup>st</sup> March regarding my research, I would very much appreciate it if you would be prepared to become involved.

I will require up to an hour and a half with you to interview you about specific aspects of owning and running a tenanted pub and I would also like your permission to record the interview in order to enable me to carry out subsequent analysis of the transcript.

As stated in Simon's letter the research will be carried out in strict accordance with university ethical guidelines and you should feel your involvement is entirely voluntary. If you do decide to become involved, I will be using a structured interview technique with you that will require you to think about your business from your own personal perspective.

Cheryl Block will call you to discuss your involvement and if you agree to become involved to arrange a suitable date and time for me to visit.

Yours sincerely



## Appendix 9 - Project 2 Coding Structure

<b>Attitude to risk</b>	AR	
	AR finL	Recognises financial risk and seeks to limit this
	AR Fine	Enjoys financial risk, sees this as motivation
	AR Cour	Possesses high self confidence and courage in approach to managing risk
	AR Pers	Recognises personal risk associated with owning and managing licensed premises
	AR Staff	Recognises and acknowledges risks with regard to staff
	AR Non	Does not recognise any risks with regard to business
	AR Soc	Recognises social change as a risk
	AR Ang	Assess risks from different perspectives
	AR Mkt Con	Sees marketing conditions as a risk

<b>Independence of action</b>	IA	
	IA Sym	Treasures symbols of freedom
	IA Hands	Prepared to get hands dirty and get involved in day-to-day business
	IA Mom	Creates own momentum and timescales
	IA Enj	Enjoys job role and journey being travelled
	IA Goals	Sets own end goals
	IA Goals D	Is definitive regarding own end goals. Has a clear plan to achieve these
	IA Handsoff	Attempts to be completely hands-off

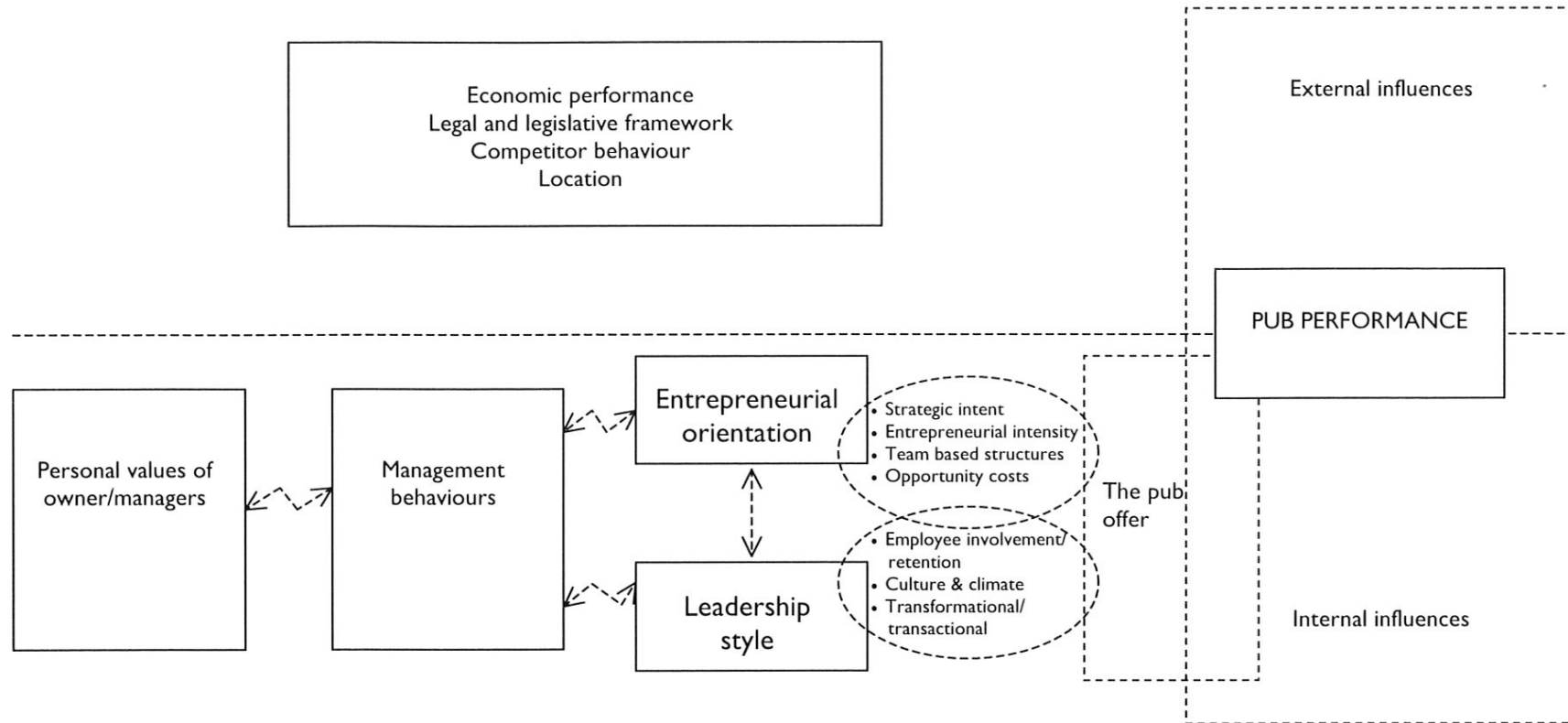
<b>Innovation</b>	I	
	I Lis	Listens to customers and suppliers as a means of generating ideas
	I Scans	Scans the external environment and market trends as a means to generate ideas
	I Parent	Prepared to work with parent organisation to develop innovative approaches
	I Mkt	Undertakes own market research and is intuitive around market evaluation
	I Soc	Uses social change as a mechanism to drive innovation. Uses social change positively
	I Rel	Innovation comes from relationships outside of business environment
	I Eval	Evaluation of innovation is based upon criteria other than just financial

<b>Tolerance of Ambiguity</b>	TA	
	TA Rec	Recognises ambiguities of role in licensed trade
	TA Par	Is prepared to work with parent organisation as source of funds even if this limits some freedoms
	TA Un	Is unstructured in the way ideas are presented – talks rather than plans
	TA Structure	Provides a very structured approach to planning and presenting ideas

## Appendix 10 - Working framework

Note: Dashed arrowheads imply a relationship not causality.

External factors



Internal factors

## Appendix 11 - Tenants Workshops Agenda

Time	Item	Time required
09:30	1. Welcome and introductions	¼ hour
09:45	2. Overview of AW research to date. Number of interviews conducted Categories of owner/manager developed Characteristics of each category The 'most valuable' categories	½ hour
10:15	3. Objectives for the day To consult with our 'most valuable' owner/managers in order to jointly develop an approach to our future business relationship. To explore and design alternatives to the tenancy agreement recognising 'one size, does not fit all'.	½ hour
	4. Designing the future by focussing on the positive	2 hours overall
10:45	4.1 Discover: The core task of the discover phase is to appreciate the best of 'what is' by focussing on times of excellence – when people experienced their business as most alive and effective. People will be encouraged to 'let go' of negatives and carefully inquire into and learn from even the smallest examples of high performance, success and satisfaction.	½ hour
11:15	4.2 Dream: This phase involves challenging the status quo through dreaming about a preferred future and describing that future in a macro-provocative proposition.	½ hour
11:45	4.3 Design: The design phase is where the group begins to articulate and design a shared vision for the future. This is where possibilities are raised.	½ hour

12:15	4.4	Deliver: The final phase creates the ways to deliver on the new images for the future. Momentum and the potential for innovation are high at this stage as everyone is motivated by a shared vision of the future.	½ hour
12:45	5.	Wash up and close	¼ hour
13:15		Lunch in Crown	

## Appendix 12 - Facilitator Credentials

Job title:	HR business partner
Job role:	To work with the managing director and Senior Team to train and develop the organisation (including the extended organisation) and to work with managers to effect change.
Qualifications:	Degree + post graduate HR qualifications. Extensive HR experience with Parent Co and BNF
Length of service with Parent Co:	11 years
Job title:	Customer marketing manager
Job role:	Responsible for all communications activity with regard to presentation, promotions, service standards and championing the customer within the Parent Co
Qualifications:	Extensive experience within the Parent Co specifically in previous roles as Administrator for the pubs business within the 'Parent Co'
Length of service with Parent Co:	17 years
Job title:	Retail marketing manager
Job role:	To develop all aspects of the Parent Co brand in pub, hotel and shop formats.
Qualifications:	Degree + extensive marketing experience from both client and agency perspectives.
Length of service with Parent Co:	Under 1 year
Job title:	Director, retail operations
Job role:	Manages all aspects of the Parent Co retail business, pubs, hotels and shops.
Qualifications:	Degree + Board roles at a number of competitors to the Parent Co
Length of service with Parent Co:	3 years



## **APPENDIX 13 - FACILITATOR COMMENTARY**

### **NOTES FROM TENANTS' WORKSHOP 1**

In Attendance: MB, JH, SIC, FV, IW

#### **AW presentation**

All appear engaged in AW presentation.

JH didn't look at the screen very much, as he focussed on AW. MB was concentrating intently and making a few notes. FV was elsewhere for the first 10 minutes (*I suspect this was in relation to a difficult journey from Colchester.*)

JH admitted he found it quite difficult to relate AW's findings back to his business. He could identify with the characteristics, but 'it was difficult to get your head round.' All five participants read the matrix with interest.

After reading the matrix, SI-C looked slightly sceptical, but proceeded to shake her head when AW described category B and the 'employment of friends.' She laughed openly when AW described categories D and E.

After the five categories had been presented, JH leant into the table and explained that he believed he was 'a bit of everything' in the matrix. SI-C was amused by the matrix and explained that it made her think about other licensees she has encountered.

#### ***Discover...***

SI-C – 'if there's a problem, there's always someone there.' FV supported this, appreciating the fact that everyone was on first name terms with each other and that if he needed to speak directly to AW, he could. IW supported this, believing communication with tenants was generally very good. He used very open hand gestures to support his statement, as did MB who talked with pride about the strong brand and PR that Adnams generates. He believed that some of his customers are proud of the association with Adnams and want a local Company to succeed.

FV talked about the strong range of seasonal products. His hands were resting on the table, but he appeared relaxed, leaning back in his chair as he spoke.

JH appreciated the fact that 'he was left to get on with it without interference,' whilst appreciating that if there was an issue, there were people available to help. He was leaning back in his chair, with an arm

draped over an unoccupied adjacent chair. SI-C was visibly supportive of this point.

IW talked about how much he appreciated the physical support from Adnams, i.e. draymen and Cellar Service technicians. Nodding vigorously, he said he believed in the importance of the personal relationship.

FV, with open, sweeping arm gestures explained that he was pleased to be invited to one of the workshops and felt that progress was definitely being made. SI-C supported this, explaining that she believed there was a more professional team, who appreciated the female perspective. She believed Fiona was 'fighting for lady tenants.' At this point, she was passionate, with her arms raised in the air above her head.

JH was very relaxed and a bit more considered in his responses. He said very simply that people like Adnams, but he could see some negatives. SI-C sat throughout JH's point with her arms crossed (I wondered if she was cold), but was in good humour, laughing out loud on occasion.

MB discussed the limited risks associated with a tenancy and was leaning forward into the group. JH was more reflective at this point in the discussion and SI-C admitted to 'never looking at the tenancy document.'

### ***Dream...***

This group was slower to come forward with their ideal situation and needing some prompting from AW.

FV was relaxed and leaning back in his chair. He wanted a longer tenancy agreement from Adnams, together with an element of goodwill. He made the point that a happy tenant helps the shareholder. SI-C nodding in agreement around the goodwill discussion.

JH wanted better pricing on bottled products and referred to a conversation he'd had at the recent forum. MB eagerly made a counter point about supermarkets and their power. As JH continued to discuss pricing, MB's legs and arms were crossed, but he was nodding fervently, appearing to agree with JH. IW's arms were also crossed, but he was also leaning back in his chair. MB explained that a total product tie might not make as much money for Adnams. He leant back in his chair and was waving to attract AW's attention.

FV/IW looked more defiant regarding the conversation about the earnings gap and both sat with their arms tightly crossed. MB tried to present a positive alternate view, using his hands to express himself openly.

JH asked why Adnams didn't brew lager and was a bit more aggressive, waving his arms in the air to support his argument. MB was writing notes, but was very enthusiastic to speak and looking for an opportunity to break into the conversation.

SI-C wanted to know why tenants hadn't been told about Spindrift and she and IW were animated about the gulf in prices between Adnams and direct customers. Both talked with open arms. FV continued to speak and MB started whispering to RF. As the discussion progressed, IW and MB became more conciliatory, offering solutions to the rest of the group. SI-C made the point that it was about 'more than just price' at the end of the day. MB was leaning into the table and was very engaged in the debate.

### ***Delivery...***

The group agreed that small steps were needed to enhance/strengthen the relationship. IW said that small steps were easier to retract if necessary and FV stated that small steps were OK, but they shouldn't be too small.

With the exception of JH, all had crossed arms.

The group recognised a need for regular consultation and FV wanted changes implemented asap. JH countered that changes shouldn't be made straight away, as we might need to look at other breweries. SI-C pointed out that there weren't any similar minded brewers left, given the diminishing marketplace.

MB was beginning to lose interest, and kept chatting to RF.

Overall, this group seemed relaxed and to have more consensus than the first group. They appeared interested in the businesses that others were running around the table, but their thinking needed bringing out and wasn't as solution-driven.

## **NOTES FROM TENANTS' WORKSHOP 2**

In Attendance: MB, JH, SIC, FV, IW

### **AW presentation**

All appear engaged in AW presentation.

JH didn't look at the screen very much, as he focussed on AW. MB was concentrating intently and making a few notes. FV was elsewhere for the first 10 minutes (*I suspect this was in relation to a difficult journey from Colchester.*)

JH admitted he found it quite difficult to relate AW's findings back to his business. He could identify with the characteristics, but 'it was difficult to get your head round.' All five participants read the matrix with interest.

After reading the matrix, SI-C looked slightly sceptical, but proceeded to shake her head when AW described category B and the 'employment of friends.' She laughed openly when AW described categories D and E.

After the five categories had been presented, JH leant into the table and explained that he believed he was 'a bit of everything' in the matrix. SI-C was amused by the matrix and explained that it made her think about other licensees she has encountered.

### ***Discover...***

SI-C – 'if there's a problem, there's always someone there.' FV supported this, appreciating the fact that everyone was on first name terms with each other and that if he needed to speak directly to AW, he could. IW supported this, believing communication with tenants was generally very good. He used very open hand gestures to support his statement, as did MB who talked with pride about the strong brand and PR that Adnams generates. He believed that some of his customers are proud of the association with Adnams and want a local Company to succeed.

FV talked about the strong range of seasonal products. His hands were resting on the table, but he appeared relaxed, leaning back in his chair as he spoke.

JH appreciated the fact that 'he was left to get on with it without interference,' whilst appreciating that if there was an issue, there were people available to help. He was leaning back in his chair, with an arm draped over an unoccupied adjacent chair. SI-C was visibly supportive of this point.

IW talked about how much he appreciated the physical support from Adnams, i.e. draymen and Cellar Service technicians. Nodding vigorously, he said he believed in the importance of the personal relationship.

FV, with open, sweeping arm gestures explained that he was pleased to be invited to one of the workshops and felt that progress was definitely being made. SI-C supported this, explaining that she believed there was a more professional team, who appreciated the female perspective. She believed Fiona was 'fighting for lady tenants.' At this point, she was passionate, with her arms raised in the air above her head.

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